

**Lieutenant Governor—Continued
ANALYSIS**

The Lieutenant Governor is a Regent of the University of California and serves as a member of the Commission on Interstate Co-operation, State Lands Commission and the State Toll Bridge Authority. In addition to serving as Governor when the Governor is out of the State, the Lieutenant Governor presides over the Senate when it is in session.

The salary of the Lieutenant Governor was increased from \$14,000 to \$20,000 per annum, effective in January, 1959, by Chapter 2424, Statutes of 1957. Slight adjustments were made in other salaries.

We recommend approval as budgeted.

STATE EMPLOYEES' RETIREMENT SYSTEM

ITEM 28 of the Budget Bill

Budget page 20

**FOR SUPPORT OF STATE EMPLOYEES' RETIREMENT SYSTEM
FROM THE GENERAL FUND**

Amount requested	\$446,152
Estimated to be expended in 1957-58 Fiscal Year	373,138
Increase (19.6 percent)	\$73,014

Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages	\$17,895	\$17,895	--	22 77
Operating expense	53,970	53,970	--	22 79
Equipment	33,666	33,666	--	22 81
Less increase in reimbursements	—32,517	—32,517	--	22 83
Total increase	\$73,014	\$73,014	--	

RECOMMENDED REDUCTIONS

None

GENERAL SUMMARY

Authority for the existence and operation of the State Employees' Retirement System is found in the Government Code, Title 2, Division 5, Part 3.

Policy determination for the system is in the hands of a Board of Administration, consisting of a president, vice president and six members. The executive officer and the actuary report directly to the board. The assistant executive officer, actuary and administrative adviser act as staff to the executive officer. Further staff service is provided by the Administrative Services Section, with a staff of 22.

There are three main operating divisions. The Membership Division reviews the qualifications of applicants for membership, assists contracting local governments in applying the Retirement Law and the rules of the system, and performs related functions. The Accounting Division performs all accounting work and develops uniform procedures for accounting reporting. The Actuarial and Claims Division makes actuarial studies that form the basis of policy and of rate determination; it computes individual claims and benefits; it also makes cost estimates on pending retirement legislation.

One additional unit, Old Age and Survivors Insurance, is concerned with the administration of the federal program which has been elected

State Employees' Retirement System—Continued

as a portion of the retirement scheme of certain local governments. Costs of this unit are totally reimbursable to the State.

Between July 1 and October 1, 1958, the Employees' Retirement System will transfer its accounting from bookkeeping machines to punched cards. It is anticipated that all staff affected will either be trained for new positions or transferred elsewhere in the state service. The new accounting method is expected to absorb increasing workloads without material delays in reporting, and with a lower rate of increase in personnel.

The Organization and Cost Control Division of the Department of Finance is preparing a management survey of this agency. This may result in minor cuts in staff requirements before the budget becomes effective.

The principal change in state employees' benefits effected by the 1957 Legislature was provision for the widow and minor children of a member who has qualified for retirement, but who has remained active. The additional administrative workload created thereby is minor. Benefits to most retired members were increased. This has required a very elementary recalculation of retirement allowances.

ANALYSIS

In reviewing the Employees' Retirement System budget, it is necessary to keep in mind the fact that over half of all costs are reimbursable from contracting agencies. The rate charged for administrative overhead, exclusive of Old Age, Survivors and Disability Insurance, is at present \$5.85 per member.

This year the system's budget is further complicated by the change-over in accounting systems previously referred to. Permanent positions abolished amount to 16.5, all of which are in Accounting; permanent positions requested amount to 21, 14 of which are in Accounting. At the same time, the amount of temporary help requested has been reduced by 7.3 positions.

A comparison of positions estimated for the 1957-58 Fiscal Year with the proposed positions for the 1958-59 Fiscal Year is as follows:

	1957-58	1958-59
Permanent positions now authorized	147.3	147.3
Temporary help now authorized	19.0	11.7
Positions in Accounting to be abolished	--	-16.5
Positions in Accounting to be added	--	14.0
Other positions to be added	--	7.0
Estimated salary savings	-2.0	-4.0
	164.3	159.5
Temporary help authorized for "other services" of noncontinuing nature	6.0	7.0
	170.3	166.5
Old Age, Survivors, and Disability Insurance		
Positions now authorized	7.6	7.6
Proposed new positions	--	1.0
Personnel man-years	177.9	175.1

Under the change in accounting systems that is now in the process of being effected, the immediate saving in manpower in the Accounting

State Employees' Retirement System—Continued

Division is shown to be a net of 2.5 permanent positions. This, however, is in overall personnel man-years budgeted for 1958-59. From July 1 to December 31, 1958, 14 IBM positions will be staffed, and 33 of the present accounting positions will be staffed. On December 31, 1958, the 33 positions will be dropped. Thus the net saving for the succeeding fiscal year, 1959-60, should be a net of 19 positions. Actually, 12 positions will be moved over from one operation to the other; transfers are being arranged for the remaining employees.

Comparison of the temporary help item in the budget for 1957-58 and the revised figures for 1957-58 in the 1958-59 Budget shows an increase of 10.4 temporary positions (man-year equivalents). Main items of increase are as follows:

	<i>Additional state costs</i>	<i>Paid from salary and other savings</i>
Establishing membership records		
Los Angeles City Schools noncertificated personnel -----	---	\$14,597
Preparation of May, 1958, payroll, punched cards -----	---	6,390
Machine accounting supervisor -----	---	4,554
5 percent salary increases, temporary help ---	\$1,553	---
New legislation, including recalculation of retirement allowances -----	10,600	6,616
Increased election costs -----	---	1,000
Totals -----	\$12,153	\$33,157

Proposed new positions for the actuarial, legal, research, and field are one associate research technician and one junior counsel. The agency justification included supporting statements that "the Actuarial and Claims Division Chief is currently required to work between 50 and 60 hours overtime each month, excluding travel time" and that the Membership Division Chief "would have needed 148 percent of full time," in 1956-57 and hence had not been able to "develop the application of the legislative changes and Attorney General's opinions * * * and has had * * * a continuing backlog of correspondence. * * *"

Justification of the associate research technician was based on Chapter 2140, Statutes of 1957, requiring that the Board of Administration of the State Employees' Retirement System "shall annually file a separate report with the Governor and each house of the Legislature on all matters under the jurisdiction of the board, including benefits, programs, practices, procedures, trends and developments in the field of retirement."

Justification of the junior counsel was expressed in terms of the increasing backlog of the administrative adviser (attorney), which it was stated was growing despite an expenditure of 20 to 25 hours of overtime each month.

It appears that there is sufficient workload to justify these two positions. Therefore, we recommend approval of the proposed new positions of an associate research technician and a junior counsel.

Aside from the above positions, increases in staff presently requested include one intermediate clerk for Administrative Services, one intermediate typist-clerk for the Membership Division, one general accountant II, one senior account clerk, and one intermediate typist-clerk for

Item 29**Interstate Cooperation****State Employees' Retirement System—Continued**

the Actuarial and Claims Division. This increase is justified by the general growth of the system.

Operating expenses show a general decrease from the current year, with the notable exception of tabulating machine operation, which shows a total of \$77,700 for the Fiscal Year 1958-59 as compared to the amount of \$1,160 for the Fiscal Year 1957-58. The \$77,700 consists of the following items of expenditure.

Recurring:	
IBM rental	\$43,188
Tabulating cards	12,000
IBM machine service	1,137
Nonrecurring:	
Key punching master deck (contract)	17,375
Freight	4,000
Total	\$77,700

It is recommended that the Department of Finance give consideration to the purchase of open shelf filing for IBM cards in lieu of the drawer-type equipment. If this type of storage is feasible and a savings would result, the Department of Finance should make the necessary budget adjustment.

We recommend approval of the budget item as submitted.

CALIFORNIA COMMISSION ON INTERSTATE COOPERATION

ITEM 29 of the Budget Bill

Budget page 23

FOR SUPPORT OF THE CALIFORNIA COMMISSION ON INTERSTATE COOPERATION FROM THE GENERAL FUND

Amount requested	\$33,965
Estimated to be expended in 1957-58 Fiscal Year	34,091
Decrease (0.4 percent)	\$126

RECOMMENDED REDUCTIONS

None

GENERAL SUMMARY

The Government Code, Sections 8000 to 8013, is the legal authority for the California Commission on Interstate Cooperation.

The commission consists of five Members of the Senate, five Members of the Assembly, and five members appointed by the Governor, who is an ex officio nonvoting member. The primary function of the commission is to furnish a means whereby interstate problems outside of federal jurisdiction and too broad in scope for individual states can be more effectively resolved by joint action.

ANALYSIS

The major item of expense is the \$31,250 contract assessment with the Council of State Governments. The remainder of the budget request is for operating expenses which includes \$2,175 for travel to conferences. A filing cabinet purchased in the 1957-58 Fiscal Year and not requested this budget year accounts for the decrease of 0.4 percent in total expenditures.

We recommend approval.

PERSONNEL BOARD

ITEM 30 of the Budget Bill

Budget page 24

FOR SUPPORT OF PERSONNEL BOARD FROM THE GENERAL FUND

Amount requested	\$2,465,872
Estimated to be expended in 1957-58 Fiscal Year	2,356,185
Increase (4.7 percent)	\$109,687

Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line	
		Workload or salary adjustments	New services	page	No.
Salaries and wages	\$111,958	\$86,646	\$24,312	30	30
Operating expense	14,886	12,886	2,000	30	32
Equipment	28,592	28,592	--	30	34
Less increased reimbursements	45,749	--	--	30	40
Total increase	\$109,687	\$128,124	\$26,312		

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$41,546
Improved efficiency and policy reappraisal	27,520
Total reductions	\$69,066

Summary of Reductions

Reduction in budgeted increases

Personnel Services

Operations Division

	Amount	Budget	
		Page	Line
1 Assistant personnel analyst for increased QAB workload	\$6,060	26	22
Related expenses for increased QAB workload	1,950	26	46

Examining Services

1 Assistant personnel analyst for investigations	6,360	26	26
1 Clerk for QAB arrangements	3,456	26	27

Recruitment and Field Services

1 Assistant personnel analyst for increased QAB workload	6,060	27	22
1 Assistant personnel analyst for medical recruitment	6,060	27	22
1 Clerk for increased medical recruitment	3,540	27	24
Operating expenses for increased medical recruitment	2,000	27	39

Standards and Surveys Division

1 Assistant personnel examiner for increased QAB workload	6,060	28	19
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Total reduction in budgeted increases

\$41,546¹

Policy Reappraisal

Standards and Surveys Division

5 Visiting nurses	\$24,620	28	9
Operating expenses for visiting nurses	2,900	29	31

Total reductions by policy reappraisal

\$27,520

Grand total recommended reductions

\$69,066

¹ The State Personnel Board was granted \$61,646 from the Emergency Fund for Fiscal Year 1957-58. The \$41,546 under "Reduction in Budgeted Increases" was authorized for the current year from this Emergency Fund money.

GENERAL SUMMARY

Under Article XXIV of the State Constitution and Sections 18000-19765 of the Government Code, the State Personnel Board has the responsibility for recruiting, examining, and certifying all persons fill-

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ing civil service positions. For the 1957-58 Fiscal Year there are 92,696 authorized positions within state service. Of this total figure 74,093, or 79.9 percent, are employees covered by state civil service. The great majority of the balance, 16,433, or 17.7 percent, are employed by the University of California and are thus under the jurisdiction of the regents of the university.

In the field of personnel administration a "specialist" personnel program is one in which the work of the personnel agency is so divided that staff members are largely "specialists" in a particular functional activity such as examining, classification, pay, administration, training, etc. Under such a program operating officials and others served by the personnel agency deal with different divisions or staff members of the personnel agency depending on the nature of the particular subject.

A "generalist" personnel program is one in which the work of the personnel agency is so organized that one employee is responsible for handling several different aspects of personnel administration on an "across-the-board" basis. Within the generalist framework the personnel analyst usually handles the personnel work for specific agencies or occupational groups that cut across the agencies. Many persons in the personnel field believe that there are desirable advantages of the generalist over the specialist. It is believed that the generalist form is more economical, is able to handle transactions more speedily, brings about better relations between the personnel agency and line officials, and broadens the individual analyst to where he is more valuable to the personnel agency.

During 1955 the Personnel Board changed its organization from the so-called specialist form to the generalist form. Whereas prior to 1955 each personnel analyst worked specifically on either pay, classification or examination matters, after the reorganization each analyst in the five newly established operations sections worked on all three matters. Staff groups were also formed to do specialized work on these three phases of personnel administration. Shortly after the change there was another slight adjustment in organization as a result of operating experience.

In the fall of 1957, as a result of a request by the board's executive officer, the Organization and Cost Control Division (OCC) of the Department of Finance conducted a study of the organization of the board and as a result submitted recommendations that were adopted by the board and put into effect on November 1, 1957. The new organization keeps the generalist form as established in 1955, but strengthens the staff services to the generalist analysts in the five operations sections. The effect of the change was to eliminate one senior position and reclassify another position which resulted in an annual savings of approximately \$11,000. However, there was also a recommendation for the establishment of two new positions, one associate personnel analyst and one associate administrative analyst for the Standards and Surveys Division. The annual cost for these two positions will be approximately \$14,712. Although these positions are proposed new for

Personnel Board—Continued

the 1958-59 Fiscal Year, the Department of Finance has authorized these positions for the second half of the current year, 1957-58, using the savings derived from the reorganization. Although we recommend approval of these positions we have stated some reservations concerning them in our following analysis under "Standards and Surveys Division."

In conjunction with the completed organization study, OCC has also conducted a study of the board's procedures; however, this part of their study was not completed by the time this analysis was prepared.

Centralized vs. Decentralized Personnel Administration

The State Personnel Board is the central personnel agency for the State of California and as such it has the responsibility for serving the needs of state agencies by recruiting, examining, certifying, and adopting suitable pay rates. Technical personnel services are provided for political subdivisions on request.

In our 1956 analysis of the budget we brought attention to the fact that all of the State's larger agencies, and many of its smaller ones, have a bureau of personnel established. The majority of these bureaus concern themselves with the immediate problems of personnel management within the various agencies and serve as the working organization to carry out Personnel Board policies. In that report we stated that there was no statewide policy established to define the immediate and long-range conception of the responsibilities which should remain with the Personnel Board and those which should belong to departments.

In our 1957 analysis we reported the establishment of an Inter-Agency Personnel Committee composed of representatives of the Personnel Officers Conference, Department of Finance, Personnel Board, and the Legislative Analyst. This committee has met over the past two years and has identified and classified all personnel functions which are performed either at the agency level or by the central personnel agency. By using this classification an effort is being made through continued discussions to define the relative responsibilities of the agency and of the central personnel staff. Although consideration is being given to what is presently being done, there is little or no consideration being given to what ought to be done by the two in order to improve the efficiency of the total operation.

Progress of the committee's work has slowed down considerably in the past seven months and certainly should be picked up again if any results are to be attained. It is anticipated that when the committee's work is completed there shall be established criteria for the application of workload factors for the staffing of the central personnel agency and the personnel sections of the various operating state agencies.

Examination Procedure

The traditional procedure in giving a state civil service examination has been to publicize the examination, and to accept applications for approximately six weeks. The next step is to give a written examination to persons who appear to meet the minimum educational and experience

Personnel Board—Continued

requirements, and then to screen those successful in the written examination further by either oral interview, physical agility examinations, or performance tests. The successful competitors are placed on eligible lists that are used statewide in filling positions.

The average number of calendar days between the written test date and date the list is issued is 76 days. This is a considerable length of time for prospective employees to wait before they know if they are eligible for state employment. The board and its staff are fully aware of the excessive length of the 76-day period and have made attempts through some procedural refinements to shorten the span. Two positions requested in this year's budget, an associate administrative analyst and an associate personnel analyst, are being requested to work continuously on administrative and personnel procedures in an attempt to improve the present operation. Since this situation is getting critical, we are recommending the approval of these positions. However, we have reservations concerning the whole examining procedure which should be mentioned at this time. Three specific possibilities are mentioned below.

Continuous Testing Programs

It would appear that many basic changes in the State's examination procedure should be made, rather than only the modification of present procedures. At present, the board conducts some continuous testing programs for classes in which agencies have experienced a recruitment difficulty. This includes such classes as junior highway engineer, physician I, intermediate typist-clerk and correctional officer. The continuous testing procedure varies a little for each type of examination, but basically they are all designed to interview, examine, and either accept or reject the individual within one or two days. From the time the intermediate typist-clerk candidate starts the examining procedure it takes only four hours until she is notified if she is eligible for employment. Although adoption of this type of program for general use would entail a change in the Government Code, it would seem most desirable that the board study the possibility of expanding its use.

Grades in Class

In 1949 when the State had 48,000 civil service employees, the Legislature adopted the principle of different grades within a class. This followed the present method used in the federal system. The statute provided that there be no more than three grades of differing salary ranges within a class. Persons could be promoted within the given class without the necessity of an examination each time. Before the law could be given an adequate trial, it was repealed in 1951. Actually, by the time the Personnel Board adopted rules concerning the procedure, it was in effect only nine months on a trial basis.

Today the State has 74,000 civil service positions and is growing at a more rapid rate than any other comparable public jurisdiction in the country.

After a new employee comes to work for the State and wishes to advance within his occupation he must take an examination for each class. The oddity is that in practice different levels of the same occupation

Personnel Board—Continued

group are given parts of the same examination. Recent examinations for assistant budget analyst and associate budget analyst were given in which the candidates for both levels were given the same examination and then the candidates for the associate positions were given an added section. These associate candidates previously had passed the assistant level examination since they were all employed on that level. This occurs in many instances where there are several levels of one occupational group. This would appear to indicate possibilities for the reduction of at least certain parts of the examination requirements in the case of those previously examined.

Consolidation of Classes

On June 30, 1952, there were 2,080 separate classifications within state service. As of June 1957, there were 2,356 separate classifications. Over a five-year period, this represents an increase of 14.1 percent. With the addition of each new class there is the addition of the examination procedure necessary to select the individuals for that class. Many classes are in existence because an agency desires an individual with some narrow specialty of a broader classification. For example, there is in state service the general statistical class associate research technician, but there are also the following classes:

- Associate research technician (Employment and Labor Statistics)
- Associate research technician (Finance)
- Associate research technician (Milk and Dairy Products)
- Associate research technician (Social Welfare)

Separate examinations are given for each one of these classes in order that the appointing power can secure the individual with the desired narrow specialty. It would appear that a saving could be realized by the consolidation of the above classes and others and thus the necessity of separate examinations for each one would be eliminated.

ANALYSIS

The budget requests for the State Personnel Board for the 1958-59 Fiscal Year reflect a substantial increase in the examination workload experienced by the board within the past year. The \$2,465,872 requested is \$109,687 or 4.7 percent more than the \$2,356,185 estimated to be expended during the current year.

Emergency Fund

The State Personnel Board has had to make use of the State's Emergency Fund during this current year and the past year in order to finance operations that were given them by the Legislature or which they improperly budgeted for when preparing their annual budgets.

For this current year, 1957-58, the board has had to request \$61,646 from the fund for various reasons. As a result of positions added to the proposed Department of Mental Hygiene budget by the Legislature during the 1957 Session a total of \$11,570 was allocated to the board to expand its recruiting program in an attempt to fill these positions. The board also received a total of \$50,076 for increased workload due primarily to additional examinations given and the increased number of competitors.

Personnel Board—Continued

During the past year, 1956-57, the board received a total of \$78,234 from the Emergency Fund. Of that amount \$25,615 was used for an intensified medical recruitment program that was commenced in October of 1956. This was the beginning of a greatly intensified recruitment program carried on by the board in an attempt to fill many existing vacancies within the Department of Mental Hygiene. This program is being continued by the board.

A salary survey of trade classes in the Bay area conducted at the request of a legislative committee resulted in an allocation of \$1,722 from the fund. The remainder of the Emergency Fund allocated to the board last year, \$50,897, was for miscellaneous operating expenses due to increased workload, and for salaries and wages near the end of the fiscal year, which were inadequately budgeted.

Money Allocated to State Personnel Board From the Emergency Fund

1957-58 Fiscal Year

A. Intensified medical recruitment program

Salaries and wages	\$8,760
1 Personnel analyst	
1 Clerk	
Operating expenses	2,010
Out-of-state travel	
Equipment	800
	<hr/>
	\$11,570

B. Salaries and wages for unanticipated Qualification Appraisal Board (QAB) workload

1. For investigations and QAB appeals	
1 Assistant personnel analyst	\$4,040
2. Temporary help money for outside QAB members and chairmen	3,257
3. QAB arrangements	
1 Clerk	3,750
4. Staff for QAB workload	
2 Assistant personnel analysts	8,080
5. Equipment	1,285
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	\$20,414

C. Salaries and wages for 8.9 positions for Office Services Division for unanticipated workload

Operating expenses	\$25,252
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	4,410
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	\$29,662

Total from Emergency Fund, 1957-58 Fiscal Year

\$61,646

1956-57 Fiscal Year

A. Intensified medical recruitment program started in October, 1956

Salaries and wages	\$9,912
1 Personnel analyst	
1 Information officer	
1 Clerk	
Operating expenses	14,673
Out-of-state advertising	
Equipment	1,030
	<hr/>
	\$25,615

Personnel Board

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Personnel Board—Continued

B. Miscellaneous operating expenses for office services division due to unanticipated workload-----	\$29,597
C. Salary survey of trade classes in Bay area-----	\$1,722
D. Salaries and wages-----	\$20,000
Salary savings that had been budgeted were used during the year to finance deficiencies in budgeting	
Operating expenses-----	1,300
	<u>\$21,300</u>
Total Emergency Fund money, 1956-57 Fiscal Year-----	\$78,234

In a review of the procedures of the State Personnel Board, it appears that there has been poor budgeting as is evidenced by the recent use of the Emergency Fund. It also appears that there is a lack of co-ordination between the budget officer and the chiefs of the various divisions, particularly the Office Services Division, where most of the Emergency Fund money has been needed. We strongly recommend that the situation be remedied, and that the board take steps to strengthen their budgetary procedures, and that the accounting officer be used more actively in the formation and planning of the agency's budget.

Personnel Services

Operations Division

We recommend the deletion of \$8,010 for one assistant personnel analyst and his related expenses requested on the basis of the increased QAB workload.

One assistant personnel analyst is proposed for the Operations Division on the basis of increased qualification appraisal board workload. This is one of three such positions requested by the board on this workload basis. Two of the three positions have been authorized for the current year out of Emergency Fund money. We have discussed in the preceding pages the use made by this agency of the Emergency Fund and our comments concerning it.

There is no denying that the State Personnel Board has a tremendous workload with the many examinations that are given for positions within the state service. For the past several years the board has experienced continued increases in the number of examinations given, the number of competitors taking the examinations, competitors interviewed by qualification appraisal boards (QABs) and new classifications. The various increases in differing factors have created a situation today where the processing time for examinations with QABs is approximately 76 days. This is from the written test date to the date that the list of eligible persons comes out. This 76 days does not take into consideration the time when an agency first notifies the board that it may have a vacancy coming up in a given class where either the list has run out or is due to expire. This average of 10 weeks in classes that are open-entrance classes can be harmful at times, particularly in the case of classes that have experienced recruitment difficulty. In some instances by the time a list comes out the persons on the list have already been hired by either other governmental jurisdictions or private industry.

Personnel Board—Continued

It is not too frequent that a person can wait 10 weeks until he is notified that the State of California would like to have him come to work for it. The three positions requested are anticipated to shorten the 76-day span by a few days. However, the basic problem is not solved, that is, the long and costly period of time presently taken. Therefore, we recommend that in addition to revising some procedures in the present examination method, and, rather than add a few positions this year, more next year, and many more the year after that, that the Personnel Board completely review the examination procedure presently used by this State and look into the feasibility of such things as unassembled examinations and elimination of either written or oral examinations for certain classes. This is already done in some classes where a very severe recruitment difficulty has been experienced, as we have mentioned in the general summary. In taking these so-called shortcuts in obtaining people, the board has stated that, in its opinion, there has not been any lessening in the quality of individuals hired by the State of California. Until such time as the State Personnel Board makes a detailed, thorough and complete review of the present examination procedure with the idea in mind of eliminating some or many of the present steps, we cannot recommend approval of these three positions which would simply give temporary relief and continue the situation as it now is.

The board is requesting three additional positions for the Operations Division on a workload basis. Based on the projected increased workload for examinations, classification and paywork in both the current and budget year, it is estimated that there is a need for three positions to maintain the present level of service. We have reviewed the workload figures and recommend approval of the request.

Examining Services

We recommend the deletion of \$10,110 for one personnel analyst and one clerk requested on the basis of increased investigations and QAB workload.

The Personnel Board was granted money from the Emergency Fund for the current year for one assistant personnel analyst position on the basis of workload factors which affect: (1) investigations; and (2) correspondence and appeals matters. This position is proposed to continue as permanent for 1958-59. We question much of the investigation that is being carried on within this unit. There are many cases of individuals who might have committed some minor infraction in their earlier years and subsequently have gone to work for the State. Each time that person applies to take a state examination, there is an investigation by correspondence concerning the infraction. There is a considerable amount of duplication here. Before another person is added for the budget year, we feel there should be a complete review of the investigation procedure and review of the files maintained for this purpose. Until such time that this is done we cannot recommend approval of the \$6,360 for this position.

In conjunction with the increased workload experienced and anticipated in the scheduling and conducting of qualification appraisal boards, the Department of Finance authorized one clerical position for

Personnel Board—Continued

the current year out of the Emergency Fund. As is true with all the other positions authorized out of the Emergency Fund for the current year, this position is being requested for continuation in the budget year. Since this position would be used primarily to service the added technical positions which we have previously recommended against, we recommend the deletion of this position and a reduction in the budget of \$3,750.

Typist Pool

One junior intermediate typist-clerk is requested for the board's test pool on a workload basis. We have reviewed the work done in this section and recommend approval of the request.

Recruitment and Field Services

We recommend the reduction of \$17,760 for an increased medical recruitment program and increased QAB workload.

Again, from the Emergency Fund, the State Personnel Board was allocated \$11,570 for additional medical recruiting in the current year. It is proposed that these positions be continued for the 1958-59 Budget Year, due to the increased recruitment workload in the medical and allied fields.

Last year, the Legislature appropriated \$130,000 for the increased recruitment activity of the State Personnel Board, primarily in the medical and engineering fields. These programs were started prior to July of the current year, since money had been allocated to them from the Emergency Fund by the Department of Finance to get the programs started early. There has been about one year's experience so far in the intensified recruitment efforts of the State Personnel Board and the various interested agencies, and so far there has been a great deal of success shown. Many positions that have been vacant over a period of time are presently being filled. However, with the limited period of experience there has not been the opportunity to completely evaluate the program. The following table gives an indication of the success shown in the recruitment of engineers.

Junior Civil Engineer Recruitment Comparative Analysis, 1954-57

	1954		1955		1956		1957 *	
	Qualified	Appointed	Qualified	Appointed	Qualified	Appointed	Qualified	Appointed
Out-of-state -----	106	32	120	45	101	11	163	75
California -----	53	29	77	36	67	19	140	79
Total -----	159	61	197	81	168	30	303	154

* These are partial figures (through 10-1-57).

It has been reported by the board that comparable success has been attained in the medical field; however, no figures have been made available. Certainly there has not been adequate experience to indicate the need for further expansion of this program. We recommend a reduction in salaries and wages of \$9,600 for a personnel analyst and a clerk and \$2,000 operating expenses until such time as the board can show that the great increase in level of service authorized by the Legislature last year is not adequate to fill a reasonable number of vacant positions. Within this calendar year the board should submit a report to the

Personnel Board—Continued

Legislature and the Department of Finance giving the results obtained from its recruitment program.

One assistant personnel analyst is proposed for this division on the basis of the increased QAB workload. This is one of three positions requested on this basis. Inasmuch as we feel this position would only give temporary relief to the board and does not get to the basis of the problem, which as we have stated previously is the whole examination procedure, we recommend its deletion.

Standards and Surveys Division

We recommend a reduction of \$6,060 for one personnel examiner requested on the basis of increased QAB workload, and \$27,520 for the elimination of the visiting nurse program.

As a result of the organization study conducted by the Organization and Cost Control Division, which is referred to previously, the agency is requesting the addition of one associate personnel analyst to study the adaptation of new selection and hiring methods. This addition is requested to meet the increased need to adapt selection and hiring methods to changing labor market conditions. The request is limited to the express needs for continuous testing or decentralized testing in areas where there is either a recruitment difficulty or some other unique problem. This results in extensive planning, departmental contacts, and development of new procedures. Specialized programs require audit and periodic re-evaluation. There are 15 special programs in operation presently and requests for about 10 more. An average of 25 man-days are required to set up a new program. More than one man-year will be required to clean up the present backlog.

We recommend approval of this position. However, we strongly recommend that in relation to our previous recommendations the scope of this position be greatly broadened and the area of study for this person be concentrated more in the general aspects of new and differing methods of examination in an attempt to greatly reduce the present 76-day situation.

Another position of associate administrative analyst is requested as a result of the organization and cost control study to meet a long-felt need for a staff member skilled in techniques of management analysis work. This individual would spend most of his time reviewing and improving the practices and procedures of all the agency's various activities. There is a need by the agency for this position, and we recommend approval of it on the basis that the economies that can be produced in one year's time will more than cover his salary. However, we feel that this person should work closely with the other position requested for the Standards and Surveys Division mentioned above, and again that the emphasis be placed upon the study of new examination methods and new ways in obtaining qualified personnel by a quicker and less expensive procedure.

One assistant personnel examiner is being requested on the basis of increased QAB workload. This is one of three positions requested on this basis. *For the reasons given previously under "Operations Section" we recommend the deletion of this position.*

Personnel Board—Continued

The agency is requesting the continuation of a temporary associate personnel analyst to work on special projects and studies of the agency. This position was new this current year and is being requested to continue until June 30, 1959. We have reviewed the type of work being done by this position and recommend that it be continued for the budget year.

Visiting Nurse Program

The main function of the visiting nurse program is to provide a control over the administration of sick leave within state service.

In 1956, the Organization and Cost Control Division (OCC) of the Department of Finance conducted a management survey of the visiting nurse program within the State Personnel Board, Survey 856. This survey was a result of a request by the board. The scope of the program was to evaluate the present visiting nurse program and make recommendations on the present needs, purposes and functions.

Sick leave is provided state employees to protect them from loss of income due to illness. Sick leave taken in Fiscal Year 1955-56 cost the State over \$7,500,000. The OCC report showed that the total number of man-days charged to sick leave was 409,099 for an average of 6.3 days for each employee. During this period the five visiting nurses made a total of 7,401 home calls. Of this number 6,247 resulted in the nurses contacting the employees. In the 1,154 calls in which the nurses did not contact the employees, it was found that the address was wrong or the employee did not answer the door, had gone to the doctor, had returned to work, etc. In many cases no reason for absence from home was ever established.

The report estimated on the basis of these and other Personnel Board statistics that the visiting nurses contacted 5.4 percent of all sick leave absences during the 1955-56 Fiscal Year.

The report went on to say, "If these calls are highly selective and predicated on the basis of the need for nursing home care, advice, or counseling, this low percentage figure might reflect a very adequate visiting nurse program. However, the inconsistency of requesting the service, the meager information furnished the nurses prior to making the call, the request for the nurse to act in the capacity of a truant officer, and the apparent lack of uniformity throughout the agencies in approving sick leave requests have all tended to curb the effectiveness of this program."

For Fiscal Year 1955-56 and previous years, agencies using the service of the visiting nurses did not show consistently lower frequency rates of sick leave usage than nonusing agencies.

One of the possibilities suggested by the report was the abolishment of the visiting nurse program. We agree with this suggestion of the Department of Finance. It is impossible to determine factually the advantage or saving this program now affords the State.

Therefore, we have recommended a reappraisal of policy and the reduction of \$27,520.

Personnel Board—Continued

Office Services Division

The board is requesting for this division, on a workload basis, three additional clerical positions on a permanent basis and money for 11.6 additional temporary clerical positions. The board has been granted \$29,662 Emergency Fund money for the current year for 8.9 clerical positions. These are included in the 14.6 total being requested.

This division handles nearly all the paperwork processing done by the board, including the production of 13,877,287 pages of duplicating material last year. Attempts have been made by the division to simplify and improve procedures by such things as mechanical aids and decentralization of work to the agencies. It is anticipated that the administrative analyst proposed in the Standards and Surveys Division will spend much of his time working on the simplification and elimination of costly procedures.

On the basis of anticipated workload we recommend approval of the request.

Co-operative Personnel Services

This division is requesting three analysts and five clerks on a workload basis. This program operates on a completely reimbursable basis with local governmental jurisdictions within California. The workload continues to increase, and as additions are made to the staff, reimbursements are increased to finance them.

We recommend approval of the request.

SECRETARY OF STATE

ITEM 31 of the Budget Bill

Budget page 31

FOR SUPPORT OF THE SECRETARY OF STATE FROM THE GENERAL FUND

Amount requested	\$325,258
Estimated to be expended in 1957-58 Fiscal Year	313,038
Increase (3.9 percent)	\$12,220

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages	\$18,213	\$18,213	--	33 10
Operating expense	4,545	4,545	--	33 12
Equipment	-10,538	-10,538	--	33 14
Total increase	\$12,220	\$12,220	--	

RECOMMENDED REDUCTIONS

Reductions in budgeted increase	\$3,456
Improved efficiency and policy reappraisal	None
Total reductions	\$3,456

Summary of Reductions

		Budget Page	Line
Central Record Depository			
Intermediate clerk (new)	\$3,456	32	68

Secretary of State—Continued
GENERAL SUMMARY

The Secretary of State is a constitutional officer whose principal duties are to "keep a correct record of the official acts of the Legislative and Executive Departments" (Constitution, Art. V, Sec. 18). His statutory duties are outlined in the Government Code, beginning at Sec. 12160.

To the Secretary of State's historic function of keeping the official copies of the acts of the Legislature and the Governor have been added related duties. As the official in charge of the Central Records Depository, he is also custodian of departmental papers. He examines and files all articles of incorporation and documents pertaining to the legal structure and officers of corporations incorporated or operating in the State. He receives all applications for registration of trademarks and names of corporations, fraternal organizations, farms, ranches, or villas. Upon request, he supplies certified information from these records.

The Secretary of State is also chief elections officer. He not only compiles and authenticates the results of elections, but purchases and distributes security-type paper for all official ballots. At statewide elections he compiles the voters' pamphlets dealing with state offices and measures.

One anachronism in the organization of this office is the Collection Agency Division, which supervises the licensing of collection agencies. In our opinion, this properly belongs in the Department of Professional and Vocational Standards, which deals continually with problems of business licensing and enforcement.

The principal development in office operations during the past year has been completion of conversion of the Secretary's corporations records to microfilm. These are permanent records, and must be available at all times for copying. A duplicate set of film has been placed in a bomb-proof vault for safekeeping.

ANALYSIS

Administrative salaries and wages show a net increase of 2.2 positions. Only one actual full-time position is proposed: an additional intermediate typist-clerk to handle correspondence regarding corporate records. Reassignment of staff and use of form letters has failed to cope with the volume of requests. Hence this position is justified on the basis of increasing workload.

A total increase in "temporary help" of 1.7 positions is justified on a workload basis.

The Central Records Depository has requested an additional intermediate clerk. We recommend that this item be deleted from the request on the basis of our belief that the workload will level off or decrease. We further recommend that the Personnel Board consider reclassifying the two laborer positions in the Central Records Depository to intermediate clerk (male only). We believe that persons so qualified will provide more versatile and hence more efficient assistance.

The principal increase in operating expenses is an additional \$4,630 for printing, due primarily to miscellaneous printing expenses connected with the 1958 General Election.

Secretary of State—Continued

Equipment requests for administration are increased because of the new position proposed in the corporations section.

Economies and Improvements Requiring Legislation

Interim study of two topics is recommended in the interest of overall efficiency of governmental operation:

1. Creation of a central microfilming agency in the office of the Secretary of State. Certified copies of documents have been produced for years in his photographic laboratory. In order to control the volume of his corporation records, he now has equipment for microfilming and for printing from microfilms. A number of departments now have microfilm cameras which are used but a few weeks out of the year.

2. Transfer the Collection Agency Board and staff to the Department of Professional and Vocational Standards. No immediate cash saving is anticipated. However, this will be a step toward uniform enforcement of business standards.

Secretary of State**PRINTING ELECTION PAMPHLETS**

ITEM 32 of the Budget Bill

Budget page 33

**FOR SUPPORT OF PRINTING OF ELECTION PAMPHLETS FROM
THE GENERAL FUND**

Amount requested	\$175,000
Estimated to be expended in 1956-57 Fiscal Year	273,246

Decrease from previous general election year (36.0 percent)	\$98,246
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RECOMMENDED REDUCTIONS	None
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ANALYSIS

It is the duty of the Secretary of State to arrange for the production and distribution of voters' (or ballot) pamphlets, as provided in the Elections Code, Secs. 1509.5-1516. These pamphlets contain summaries of the initiative and referendum measures, arguments by proponents and opponents of the measures, and the full texts of the measures as well as the existing provisions of the law.

For voters' pamphlets in the general election of 1956 the sum of \$136,000 was budgeted. Because of the length of Proposition 4, relating to unitary operation of oil fields, the pamphlet was unusually large. A deficiency appropriation was required, making the total expenditure for the 1956 voters' pamphlets \$273,246.

Due to the increasing registration of voters, it is estimated that 7,000,000 pamphlets will be printed in 1958, as against 6,861,257 in 1956. Printing costs have also increased during the biennium. Hence the State Printing Office has supplied the Secretary of State with an estimate of \$175,000 for 1958. This is based on measures now qualified, and on an average figure for measures which may qualify before closing date.

Approval of the amount requested is recommended.

Secretary of State
COLLECTION AGENCY DIVISION

ITEM 33 of the Budget Bill

Budget page 33

**FOR SUPPORT OF THE COLLECTION AGENCY DIVISION FROM THE
COLLECTION AGENCY FUND**

Amount requested	\$51,043
Estimated to be expended in 1957-58 Fiscal Year	50,550
 Increase (1.0 percent)	 \$493

Summary of Increase

	Total increase	INCREASE DUE TO Workload or salary adjustments	New services	Budget Line page No.
Salaries and wages	\$714	\$714	--	33 67
Operating expense	-1,211	-1,211	--	33 78
Equipment	990	990	--	33 80
 Total increase	 \$493	 \$493	 --	

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$1,290
Improved efficiency and policy reappraisal	None
 Total reductions	 \$1,290

Summary of Reductions

	Amount	Budget Page Line
Collection Agency Division: Substitution of pool car rental for purchase of one automobile	\$1,290	33 80

GENERAL SUMMARY

Licensing and supervision of collection agencies rests in the Secretary of State, as provided by Business and Professions Code, Sections 6850-6956.

The principal office of the Chief of the Division of Collection Agencies is in Los Angeles. Examinations of applicants for licenses are set by a five-member board in collaboration with the Secretary of State, and the board certifies to the Secretary of State all applicants who have fulfilled the requirements and successfully passed the examination. (Sec. 6890.)

ANALYSIS

The Collection Agency Division is supported from the Collection Agency Fund. The revenues of this fund are derived primarily from licenses, examination fees and penalties. Estimated revenues for 1957-58 are \$51,815, or \$2,055 under the budget as presented. The accumulated surplus in the Collection Agency Fund as of June 30, 1958, is estimated to be \$30,401. Under the proposed budget it will be reduced to \$28,346 as of June 30, 1959. We believe that savings can be made which will stabilize the balance. However, if the trend continues, review of the fee structure should be undertaken by the 1959 Legislature.

The net increase in the budget of this agency over the revised estimates for the Fiscal Year 1957-58 is \$552. The increase over the estimate presented to the 1957 Legislature is \$4,250, of which over half is represented by salary adjustments. The next largest single item is a

Collection Agency Division—Continued

net increase for equipment of \$990, represented by the purchase of an automobile (\$1,290 for an automobile, less \$300 reduction for miscellaneous equipment).

The principal saving is shown in operating expense. The largest single item is a saving of \$1,160 in printing costs. The Collection Agency Law is printed biennially and will not be printed in 1958-59. The net saving in operating expense is \$1,211.

We recommend elimination of one automobile (replacement) from the equipment item of the Collection Agency Division, budget page 33, line 80, for a reduction of \$1,290. We have reviewed the amount budgeted for Operating Expense—Automobile, and believe it is adequate for all necessary state automobile pool auto rental.

Economies and Improvements Requiring Legislation

We recommend interim study of the transfer of the Collection Agency Division to the Department of Professional and Vocational Standards.

DEPARTMENT OF AGRICULTURE

ITEM 34 of the Budget Bill

Budget page 35

FOR SUPPORT OF DEPARTMENT OF AGRICULTURE FROM THE GENERAL FUND

Amount requested	\$7,936,083
Estimated to be expended in 1957-58 Fiscal Year	7,522,311
Increase (5.5 percent)	\$413,772

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages	\$195,913	\$164,321	\$31,592	46 67
Operating expense	223,062	223,062	—	46 69
Equipment	—2,108	—2,108	—	46 71
Less increased reimbursements	—3,095	—3,095	—	
Total increase	\$413,772	\$382,180	\$31,592	

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$31,592
Improved efficiency and policy reappraisal	None
Total reductions	\$31,592

Summary of Reductions

	Amount	Budget	
		Page	Line
Bureau of Plant Quarantine			
4 Junior plant quarantine inspectors (effective January, 1959)	\$9,252	38	74
Bureau of Agricultural Statistics			
1 Assistant marketing specialist	5,772	45	36
4.7 Positions of temporary help	16,568	45	37

Department of Agriculture—Continued
GENERAL SUMMARY

General Fund support is provided for those activities of the Department of Agriculture that are designed to protect the general welfare of the agricultural industry and the consuming public. This is probably best described by Section 30, of the Agricultural Code, which reads as follows:

“The department shall promote and protect the agricultural industry of the State; prevent fraud and deception in the packing or labeling, or in any phase of the marketing of agricultural products governed by this code; prevent fraud and deception in the labeling and marketing of commodities, governed by this code, sold to producers for use in the production of crops in accordance with common practices; prevent the introduction and spread of injurious insect and animal pests, plant disease and noxious weeds; execute the provision of this code, except as otherwise provided, and of other laws administered by the department; and may distribute such insects as are useful in reducing the cost of crop production.”

The administration of this section is carried out by the various bureaus within the Department of Agriculture through the following activities.

1. The Bureau of Livestock Disease Control, Bureau of Entomology, Bureau of Plant Quarantine, prevent the introduction of injurious pests and diseases of livestock and crops by having the State or county operate on behalf of the citizens collectively, where the State's residents individually would be powerless in preventing such introduction or spread.
2. Whenever a pest has gained entrance to the State, the department acts to preserve the welfare of the agricultural industry as a whole against perennial pest control costs which would be excessive and burdensome. For example, when a pest is found in an incipient stage and well circumscribed so that a small appropriation by the State could eradicate it or prevent it from spreading, the department acts to eradicate it, with approval of the Legislature.
3. The activities of the Bureau of Chemistry protect human health against products that have been sprayed with various chemical compounds that might be injurious to human health. Other functions of the department are to protect the general public against diseased or unsanitary products by preventing their being marketed.
4. The prevention of fraud and deception in the labeling or marketing of agricultural products is also performed by the department which is a benefit to the public generally.
5. Not only does the department attempt to prevent fraud and deception in the labeling and marketing of agricultural products for the consumer but also for producers which use these products in the production of additional crops.