

LOCAL ASSISTANCE**Education****CHILD CARE CENTERS**

ITEM 433 of the Budget Bill

Budget page 925

FOR SUPPORT OF CHILD CARE CENTERS FROM THE GENERAL FUND

Amount requested	\$4,688,365
Estimated to be expended in 1957-58 Fiscal Year	4,604,048
Increase (1.8 percent)	\$84,317

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	None
Improved efficiency and policy reappraisal	\$4,688,365
Total reductions	\$4,688,365

GENERAL SUMMARY

The child care center program was established in 1943 when the Legislature enacted the Child Care Center Act. The Legislature continued financial support of the program from 1946 through the 1956-57 Fiscal Year on a one or two-year terminal basis. Chapter 182, Statutes of 1957, deleted the termination date of the program, thereby establishing a permanent state-supported child care program. One of the considerations supporting the legislation for a permanent program was the alleged difficulty to recruit and retain qualified employees under the limited tenure of the original program.

The purpose of the program is to provide care and supervision of children necessitated by the employment of women with children or needy families as set forth in Section 19601.5 of the Education Code.

At present, there are 247 child care centers in 46 school districts which provide care and supervision for approximately 10,750 children while parents are working. Approximately 72 percent of these children have but one parent responsible for the family. The total hours of enrollment during the past fiscal year amounted to 16,309,000.

ANALYSIS

The sum of \$4,688,365 requested for the State's share of supporting the child care centers is \$84,317 or 1.8 percent more than the estimated expenditures of \$4,604,048 for the current fiscal year.

The increase is attributable to the anticipated increase of 500,000 hours of enrollment for the 1958-59 Fiscal Year.

Operational costs of the centers have been shared by the State and from fees to parents of children attending the centers on a two-to-one ratio. The full cost per child averages about \$0.39 per hour. Section 19607.4 of the Education Code states that the average support per hour per child shall be \$0.26. This figure is based on a statewide fee schedule which allows a certain degree of flexibility. However, every attempt is made to keep the amount of state support at \$0.26 per hour. The fee schedule for 1956-57 produced \$0.1357 per hour from parents, so the state contribution of \$0.2543 per hour was necessary to make the \$0.39 total. The fee schedule which was in effect from July 1, 1957, to De-

Local Assistance

Child Care Centers—Continued

cember 16, 1957, produced an average hourly contribution from parents of \$0.1231, which necessitated a state contribution of \$0.2669 per hour. The fee schedule was then adjusted in order that the overall state apportionment would not exceed the \$0.26 per hour per student maximum. The fee schedule revision in mid-December brought the parent cost to \$0.1331 per hour which will reduce the state apportionment to \$0.2569 per hour per student. It is anticipated that with the revision of the fee schedule and the materializing of the 17,532,175 hours of enrollment estimated in 1957-58, a saving of \$87,661 should be realized.

We believe that the budget item as requested is necessary to carry out this program on the basis of established legislative policy. However, we should point out that this function would appear to be one which should be considered regularly for reappraisal as fundamentally a local responsibility and one which is of primary interest to large metropolitan areas with adequate tax resources to support them. *As a matter of legislative reappraisal we would recommend that this item be deleted.*

TEACHERS' RETIREMENT SYSTEM

ITEM 434 of the Budget Bill

Budget page 929

FOR TRANSFER TO THE TEACHERS' RETIREMENT FUND FOR OPERATION OF THE STATE TEACHERS' RETIREMENT SYSTEM FROM THE GENERAL FUND

Amount requested	\$34,620,000
Estimated to be expended in 1957-58 Fiscal Year	27,228,000
Increase (27.1 percent)	\$7,392,000

RECOMMENDED REDUCTIONS..... None
GENERAL SUMMARY

The Teachers' Retirement System does not maintain full reserves against actuarially determined liabilities. That is, the State does not pay currently into the Teachers' Retirement Fund the amount needed to pay off at some future date the liability incurred in the current fiscal year. In this respect it differs from the State Employees' Retirement System.

Rather, the State contributes annually to the Teachers' Retirement Fund the amount needed to pay off in the current fiscal year liabilities incurred in the past.

This single item represents what was previously two items for transfers to the Teachers' Permanent Fund and the Retirement Annuity Fund, respectively. These funds were combined under Chapter 1583 of the 1957 Statutes.

ANALYSIS

The principal factor in this year's increase is due to retired teachers in the Los Angeles City Schools retirement system entering the state system. In the past biennium, Los Angeles teachers have found it of advantage to do so, and the privilege was broadened under Chapter 1412, Statutes of 1957.

Approval of this request is recommended.

Education

SUBVENTIONS FOR EDUCATION

ITEM 435 of the Budget Bill

Budget page 931

FOR SUPPORT OF FREE TEXTBOOKS FROM THE GENERAL FUND

Amount requested	\$9,049,496
Estimated to be expended in 1957-58 Fiscal Year	5,723,053
Increase (58.1 percent)	\$3,326,443

RECOMMENDED REDUCTIONS----- None

GENERAL SUMMARY

The purpose of the free textbook distribution program is to make available to the school districts and county superintendents of schools all state-adopted elementary textbooks after bids have been called, plates purchased, and printing completed. It is the responsibility of the Bureau of Textbooks and Publications to maintain a supply of these textbooks and distribute them to the school districts and county superintendents of schools.

Legislation passed in 1957 resulted in some administrative changes in the system of selecting, adopting, distributing and using state textbooks.

The principal change revised the length of the adoption period from a minimum of six years and a maximum of eight years to a minimum of four years and a maximum of eight years. This permits termination of the adoption at an earlier date if for any reason this seems desirable. Possible reasons might be obsolescence due to rapid developments in science, geographical or political changes, and curricular changes.

ANALYSIS

The 1958-59 subvention budget of \$9,049,496 for free textbooks to local elementary school districts represents an increase of \$3,326,443 or 58.1 percent over the estimated expenditures for the current year. Forty-five percent, or \$4,099,800 of the total request is proposed for the adoption of a new textbooks series in science and health. The series includes: 750,000 copies of a basic science text (grades 7-8); 1,465,000 supplementary science text (grades 1-6); and a supplement health series (grades 1-8) of 1,650,000 copies. In addition to these new adoptions, 7,605,000 copies will be reprinted to refill book orders and replenish depleted inventory.

Although total operating expenses are increased considerably, the increase is due to the new adoptions. If the expenditures for the new adoptions are excluded operating expenses show an actual decrease of \$772,462.

We recommend approval of the budget as submitted.

Local Assistance

Department of Mental Hygiene COMMUNITY SERVICES

ITEM 436 of the Budget Bill

Budget page 932

FOR ASSISTANCE TO LOCAL AGENCIES FOR MENTAL HEALTH SERVICES FROM THE GENERAL FUND

Amount requested	\$1,900,000
Estimated to be expended in 1957-58 Fiscal Year	786,000
Increase (141.7 percent)	\$1,114,000

RECOMMENDED REDUCTIONS

None

Legislation was passed during the 1957 Session to provide an alternative way of caring for some of the mentally ill persons in California. This legislation, known as the Short-Doyle Act, was designed to encourage and provide financial assistance to local governments in the establishment and development of mental health services. This is to be provided to locally administered and locally controlled community mental health programs. If eligible local jurisdictions so desire, they may set up a program for which the State will share 50 percent of the cost if the program is acceptable.

The program would provide extended or new services to both mentally ill and mentally retarded patients in the following categories:

- a. Outpatient psychiatric clinics
- b. Inpatient psychiatric services in general hospitals and nonprofit psychiatric hospitals which are affiliated as the psychiatric division of, or with, a general hospital
- c. Rehabilitation services
- d. Informational services
- e. Psychiatric consultant services to public or private agencies.

In order to be eligible for state participation, two or more of these services must be established by the local agency.

In addition to the persons in the local communities who would take direct advantage of these facilities, the department estimates that over 17 percent of the resident population in California's hospitals for the mentally ill could be treated by providing this type of local care at a saving to the State. There is also the possibility of providing this type of treatment for former hospital patients who would otherwise have to return to the hospitals. These possibilities, of course, must be considered in view of alternate treatment accomplishments, costs, and a great many other factors. The effectiveness and the economy of the new program remains to be proven. It should be a prime responsibility of the department to carefully evaluate the effect or impact of this new program as it progresses so that definite answers can be obtained as to how it actually affects the total departmental program, especially the state hospital programs, and the extent to which the goals or accomplishments set up for this new program are fulfilled.

The extension of mental services to the community level will make it possible for many persons with early symptoms of mental illness to be treated before the illness becomes serious enough to warrant hospitalization. This conceivably could become an important factor in reducing the number of admissions to the state hospitals. However, at pres-

Local Assistance

Community Services—Continued

ent, there is apparently very little known as to whether early education or early treatment would tend to prevent more serious mental illness.

New York passed legislation, setting up a similar program, in 1954. Apparently, there was some concern in New York that the cost might become prohibitive. Accordingly, the New York act contains a provision limiting the state aid to \$1 per capita of population in any jurisdiction. No such limitation has been included in the California act. However, the department has stated, in the factors which it considered in making estimates of cost of the Community Mental Health Services Act, as follows:

“Though no ceiling is written into S.B. 244, experience provides a working guide of \$2 per capita of general population for a maximum program with \$1 coming from local governments and \$1 coming from the State. These estimates made by the department were based upon the assumption that this cost would be limited to \$1 per capita, as indicated in the preceding statement.”

There were indications that this limitation would be included in the regulations under which the act was to be administered. However, no limitation has been included in these regulations as presently approved. Without such a limitation, the State's cost could conceivably be as high or as low as dictated by the local jurisdictions. This could become an especially important factor with regard to the expensive inpatient type treatment contemplated in the program. The estimated savings which would accrue under the act to the State are based on a carefully prorated share, costwise, for the various services to be included. Should the more expensive services be given more emphasis on the local level, this could conceivably reduce or eliminate any savings which the department has contemplated under the act. We believe, therefore, that the department has the responsibility for indicating how this limitation will be put into effect and in taking steps to do so, so that the savings estimated will be realized in the actual operation of the program. We also recommend that consideration be given in the 1959 Session to a legal limitation.

Based on these assumptions, the department's estimated cost for the program to the 1961-62 Fiscal Year is as follows:

<i>Year</i>	<i>Estimated state subsidy</i>
1958-59	\$3,625,000
1959-60	6,000,000
1960-61	7,750,000
1961-62	9,600,000

This program began operating on January 1, 1958. A number of jurisdictions already have set up community mental health services and are eligible for the state subsidy beginning January 1, 1958. There has been a great deal of interest shown by other local mental health groups and the program is expected to accelerate rapidly.

We recommend that \$1,900,000 be approved as requested for this program in the 1958-59 Fiscal Year, although we cannot reconcile the fact that the amount budgeted is substantially less than the depart-

Local Assistance

Community Services—Continued

mental estimates. We recommend that positive expenditure control be amended into the Budget Bill so that the Legislature will not be faced with a deficiency appropriation next year.

Public Health

AID TO LOCAL HEALTH DEPARTMENTS

ITEM 437 of the Budget Bill

Budget page 932

FOR ASSISTANCE TO LOCAL HEALTH DEPARTMENTS FROM THE GENERAL FUND

Amount requested	\$3,641,275
Estimated to be expended in 1957-58 Fiscal Year	3,501,886
Increase (4.0 percent)	\$139,389

RECOMMENDED REDUCTIONS..... None

GENERAL SUMMARY

Federal and state funds are allocated to qualified health departments to provide effective local public health services. The funds are sub-vened to departments which meet minimum standards established by the State Board of Public Health. These funds are distributed in accordance with the formula set forth in Section 1141 of the Health and Safety Code. The law provides for a basic allotment of \$16,000 or 60 cents per capita per county, whichever is the lesser, to administrative bodies serving one or more counties. If a county is divided into two or more local health department jurisdictions, the basic allotment is divided in proportion to the population served, except that no funds are available to independent health departments serving cities of less than 50,000 population. The law further provides that after deducting amounts allowed for basic allotments, the balance of the appropriation shall be allotted on a per capita basis to the administrative body of each local health department in the proportion that the population of the local health department jurisdiction bears to the population served by all qualified local health departments of the State.

ANALYSIS

An amount of \$3,641,275 is requested to provide the same per capita distribution as the current year, 20.735401 cents, and is based on an estimated population of 14,730,000 as of July 1, 1958. This amount is \$139,387, or 4 percent, more than the \$3,501,886 that is estimated to be expended during the current year.

In addition to the amount appropriated by this item, an estimated \$1,022,677 in federal funds will be distributed to local health departments in the same ratio as state funds.

We recommend approval of the amount requested.

Local Assistance

ASSISTANCE TO COUNTIES WITHOUT LOCAL HEALTH DEPARTMENTS

ITEM 433 of the Budget Bill

Budget page 933

FOR ASSISTANCE TO COUNTIES WITHOUT LOCAL HEALTH DEPARTMENTS FROM THE GENERAL FUND

Amount requested	\$191,825
Estimated to be expended in 1957-58 Fiscal Year	141,058
Increase (36 percent)	\$50,767

Summary of Increase

	Total increase	INCREASE DUE TO Workload or salary adjustments	New services	Budget Line page No.
Salaries and wages	\$37,067	\$37,067	---	933 73
Operating expense	13,700	13,700	---	933 75
Total increase	\$50,767	\$50,767	---	933 81

RECOMMENDED REDUCTIONS----- None

GENERAL SUMMARY

Section 1157 of the Health and Safety Code authorizes the Department of Public Health to furnish services to those counties without recognized local health departments who contributed a minimum of 55 cents per capita. This program now includes Alpine, Colusa, Lassen, Mariposa, Modoc, Mono, Nevada, Sierra, and Trinity Counties.

ANALYSIS

The department is requesting \$191,825 for the operation of this function for the coming fiscal year. This amount is an increase of \$50,767, or 35.9 percent, over the \$141,058 that is estimated to be expended for the current year. There is no proposal of expanding the program for the budget year, although there appears to be a substantial increase for the budget year over the current year. This is due to a difficulty experienced in filling new positions authorized for this year.

We recommend approval of the request as budgeted.

AID TO COUNTIES FOR TUBERCULOSIS SANATORIA

ITEM 439 of the Budget Bill

Budget page 934

FOR ASSISTANCE TO COUNTIES AND CITIES FOR TUBERCULOSIS SANATORIA FROM THE GENERAL FUND

Amount requested	\$4,570,750
Estimated to be expended in 1957-58 Fiscal Year	4,406,445
Increase (3.7 percent)	\$164,305

RECOMMENDED REDUCTIONS----- None

GENERAL SUMMARY

This item provides state grants-in-aid to counties, cities, and cities and counties for the treatment and care of persons suffering from tuberculosis. The funds are allocated in accordance with Division 4 of the Health and Safety Code which provides for a graduated subsidy rate.

Local Assistance

Aid to Counties for Tuberculosis Sanitoria—Continued

Section 3301.5 of the code provides a basic subsidy of \$2.60 per patient day for the first 36,500 patient days of care, \$2.30 per patient day for the second 36,500 patient days, and \$1.75 for all additional days. The section also states that in addition to the amounts specified for the three categories, there can also be provided any additional amounts specified in any appropriation made therefor. There has been an additional amount added in the budget act each year since 1954.

ANALYSIS

An amount of \$4,570,750 is being requested for the budget year. This is an increase of \$164,305, or 3.7 percent, over the \$4,406,445 estimated to be expended during the current year.

The requested appropriation is based upon the graduated rate in the Health and Safety Code plus an additional \$1.35 per patient day for each category. The additional \$1.35 is \$0.45 above the \$0.90 in the 1957 Budget Act.

Section 3301.7 of the Health and Safety Code states, "It is the intention of the Legislature to adjust from time to time state participation in the care of persons suffering from tuberculosis in accordance with changes in the cost of caring for such patients."

On the above basis a review has been made of nine tuberculosis hospitals in the State and an analysis of the cost experience of these institutions. It was determined that the median increase in cost over a one-year period of time was 14.2 percent, which when applied to the present state share represents an increase of \$0.45 per patient day.

The additional \$0.45 would cause an increase of \$604,952 if the total patient days remained the same as last year; however, there has been a decline in total patient days, which is anticipated to continue through the next fiscal year. The table below shows the decline during the past few years and the anticipated decline.

Total Patient Days in All California Tuberculosis Sanitoria

Year	Total patient days
1954-55	1,986,007
1955-56	1,823,397
1956-57	1,659,678
1957-58 (Est.)	1,493,710
1958-59 (Est.)	1,344,339

The decline in patient days partially offsets the increased cost to the point that an increase of \$164,305 is indicated rather than \$604,952.

We recommend approval of this item since there is no doubt that the State has an interest in the elimination of tuberculosis, although the State has no way of controlling the costs of the individual institutions since they are solely under the jurisdiction of the counties. *We recommend that all the tuberculosis sanitoria in the State be reviewed in the future when estimating the average cost of administering the institutions.* Those institutions that maintain poor cost records should be urged by the State Department of Public Health to maintain a better record of costs as it is essential for effective administration and better management.

CRIPPLED CHILDREN SERVICES

ITEM 440 of the Budget Bill

Budget page 934

**FOR ASSISTANCE TO COUNTIES AND CITIES FOR CARE OF
CRIPPLED CHILDREN FROM THE GENERAL FUND**

Amount requested	\$4,464,152
Estimated to be expended in 1957-58 Fiscal Year	3,676,177
Increase (21.4 percent)	\$787,975

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$200,000
Improved efficiency and policy reappraisal	None
Total reductions	\$200,000

We recommend a reduction of \$200,000 requested on the basis of a new fee schedule to be effective July 1, 1958.

GENERAL SUMMARY

This item provides funds for a state program for handicapped children, as authorized by Sections 249 to 271 of the Health and Safety Code. The Code provides that whenever the parent or guardian of the child is unable to finance necessary care, a designated agency of the county shall request the State to furnish such services. Further, it makes mandatory that each county appropriate not less than one-tenth mill on each dollar of assessed property valuation for the purpose of financing the program.

ANALYSIS

An amount of \$4,464,152 is requested from the General Fund for the 1958-59 Fiscal Year. This represents an increase of \$787,975, or 21.4 percent, over the \$3,676,177 estimated to be expended during the current year.

The Legislature appropriated \$3,193,289 for this current year's program and is presently being requested to appropriate an additional \$482,888 in a deficiency appropriation for this year's program. (Budget item 441.) It should be noted that the amount which is shown as estimated to be expended for the current year is the combined amounts of the current year budget appropriation and the proposed deficiency appropriation.

The department is requesting the deficiency for two reasons: (1) unanticipated recipient growth, costing \$282,888; and (2) increased cost due to the adoption of a new fee schedule in August, 1957, costing \$200,000.

The State Department of Public Health in the past has set the fees to be paid to doctors for services rendered after consultation with the Crippled Children Service Advisory Committee, which is composed of doctors and lay people appointed by the director of the department. Section 259 of the Health and Safety Code states "The State Department may arrange or contract with any person properly qualified to furnish services to handicapped children." In August, 1957, the department negotiated a new fee schedule with a committee of the California Medical Association (CMA) on the basis of the association's new Relative Value Schedule.

Local Assistance

Crippled Children Services—Continued

The Relative Value Schedule of fees is a system used by the CMA as a guide for establishing fees and for the assistance of doctors who desire to use it. It established unit values for many established medical procedures. For example, a routine office visit has a value of 1.0, a complete physical examination has a value of 2.0, and an appendectomy has a value of 35.0, etc. If a \$4 basic unit is established, then the unit value of the procedure is multiplied by \$4 ($35.0 \times \$4 = \140). If the basic unit is \$5 then a value of 35.0, as for an appendectomy, would cost \$175.

The new fee schedule sets forth four distinct categories: (1) surgery; (2) diagnosis; (3) X-ray; and (4) laboratory. The present agreement sets forth a \$3.50 basic value for surgery, \$4 for diagnosis, \$4 for X-ray, and \$4.50 for laboratory. An agreement has already been reached by the Department of Public Health and the CMA which will raise the surgery value on July 1, 1958, from \$3.50 to \$4, but does not change the fees for the other three categories. This change to \$4 would represent approximately a 4 percent cost increase in the total general treatment program. The raise in August, 1957, to \$3.50 from what had been approximately \$2.50 was the first change in the schedules since 1951. There is pressure to raise the surgical and diagnostic rate from its agreed-upon \$4 to \$5; however, the department has an agreement with the CMA that they will not press for \$5 this year. However, it can be safely assumed that next year, 1959, this will be a matter for consideration again.

The new fee schedule established in August, 1957, has been one reason for the shortage of funds that has resulted in the proposed deficiency appropriation. The balance of the proposed deficiency is requested because of unanticipated program growth.

Approximately \$200,000 of the 1958-59 proposed increased appropriation is a result of the fee increase in surgical category to be effective July 1, 1958. At the present time one other state agency makes extensive use of a surgical fee schedule, the Department of Education's Bureau of Vocational Rehabilitation. They are presently on a \$3.50 level also.

We feel that there should be no further increase in fees until a thorough study of the problem can be made by the Department of Finance and a report submitted to the Legislature. *Therefore, we recommend a reduction of \$200,000 requested on the basis of a new fee schedule to be effective July 1, 1958.*

CRIPPLED CHILDREN SERVICES

ITEM 441 of the Budget Bill

Budget page 935

FOR ASSISTANCE TO COUNTIES AND CITIES AND COUNTIES FOR CARE OF CRIPPLED CHILDREN FROM THE GENERAL FUND

Amount requested ----- \$482,888

RECOMMENDED REDUCTIONS ----- None

This item appropriates \$482,888 to the State Department of Public Health for the State's program for handicapped children. This appropriation will be made available for expenditures incurred during the 1957-58 Fiscal Year.

Local Assistance

Crippled Children Services—Continued

The Legislature appropriated \$3,193,289 for this current year's program. For two reasons, there is a necessity to appropriate this additional money if the State is going to treat all the children seeking care within the State. The two reasons for the deficiency are (1) unanticipated recipient growth, costing \$282,888, and (2) increased cost due to the adoption of a new fee schedule in August, 1957, costing \$200,000. We have made some comments concerning the new fee schedules in our analysis of the previous budget item (Budget Item 440) which appropriates the funds for the 1958-59 handicapped children program.

We recommend approval of the amount as budgeted.

THERAPEUTIC SERVICES FOR CEREBRAL PALSIED CHILDREN

ITEM 442 of the Budget Bill

Budget page 935

FOR ASSISTANCE TO SCHOOL DISTRICTS FOR THE TREATMENT OF CEREBRAL PALSIED CHILDREN FROM THE GENERAL FUND

Amount requested	\$1,009,428
Estimated to be expended in 1957-58 Fiscal Year	827,263
Increase (22.0 percent)	\$182,165

RECOMMENDED REDUCTIONS..... None

GENERAL SUMMARY

This item provides funds which will permit the Department of Public Health to employ physical therapists or to enter into contracts with local health departments to provide for the employment of therapists for classes for cerebral palsied children.

ANALYSIS

The 1958-59 Budget proposes funds for 166 therapists in existing classes and 12 new classes which are anticipated to the established.

We recommend approval as budgeted.

MOSQUITO AND GNAT CONTROL

ITEM 443 of the Budget Bill

Budget page 935

FOR SUBSIDIES TO LOCAL DISTRICTS AND OTHER PUBLIC AGENCIES FOR THE CONTROL OF MOSQUITOS AND GNATS FROM THE GENERAL FUND

Amount requested	\$400,000
Estimated to be expended in 1957-58 Fiscal Year	400,000

Increase

None

RECOMMENDED REDUCTIONS..... None

GENERAL SUMMARY

Authority for this program is found in Chapter 55 of Division 3 of the Health and Safety Code. Section 2425 of the code provides that the Department of Public Health must make studies and demonstrations as may be necessary to determine the areas of the State which have a high proportion of mosquito-borne diseases including malaria and encephalitis. Section 2426 provides that the department may enter

Local Assistance

Mosquito and Gnat Control—Continued

into co-operative agreements with any local district or public agency engaged in the control of mosquitos or gnats or both, under conditions to be prescribed by the State Board of Public Health. Such agreements may provide for financial assistance by the State but the State total contribution shall not exceed 50 percent of the entire cost of the proposed activity.

ANALYSIS

An amount of \$400,000 is again being requested for this item for distribution to mosquito abatement districts on the basis of an administrative formula.

The Fiscal Year 1957-58 was the first year that the districts were required to appropriate a sum of money not less than that represented by a rate of fifteen cents (\$0.15) on each one hundred dollars (\$100) of assessed valuation of the taxable property in the abatement district before they were eligible for state aid. This has led to a more equitable distribution of state funds to those areas where the need for financial help is the greatest.

We recommend approval of this item as budgeted.

ASSISTANCE TO LOCAL AND NONPROFIT AGENCIES FOR HOSPITAL CONSTRUCTION

ITEM 444 of the Budget Bill

Budget page 936

FOR ASSISTANCE TO LOCAL AND NONPROFIT AGENCIES FOR HOS- PITAL CONSTRUCTION FROM THE GENERAL FUND

Amount requested	\$4,886,118
Estimated to be expended in 1957-58 Fiscal Year	7,193,599
Decrease (32.1 percent)	\$2,307,481

RECOMMENDED REDUCTIONS..... None
GENERAL SUMMARY

This item provides for continued participation by the State in the federal hospital construction program (Hill-Burton Act as amended by the Wolverton Act) on a matching basis. Authority for this program is found in Sections 430-435.7 of the Health and Safety Code. The code provides that the amount of state assistance which shall be provided to any public agency for hospital construction shall be a sum equal to the assistance received by the agency for that hospital under the federal act, but in no event shall the amount of the state assistance exceed one-third of the cost of the construction of the hospital.

ANALYSIS

An amount of \$4,886,118 is requested from the General Fund for this item. This is a decrease of \$2,307,481, or 32.1 percent, from the amount estimated to be expended during the current year. It is estimated that federal funds in the same amount will be expended during the budget year, and since state policy to allocate equally to both governmental and nonprofit hospital projects was established by Chapter 1575, Statutes of 1955, an amount equal to expenditures of federal funds will be necessary from state funds.

Local Assistance

Assistance to Local, Nonprofit Agencies for Hospital Construction—Continued

State funds to match an additional \$2,539,227 in federal funds available during the current budget year are not requested as contracts involving these funds will not be formalized until the 1959-60 Fiscal Year.

We recommend approval of the item as requested.

DEPARTMENT OF WATER RESOURCES

ITEM 445 of the Budget Bill

Budget page 938

FOR ALLOCATION TO THE DEPARTMENT OF WATER RESOURCES FOR REALLOCATION TO LOCAL FLOOD CONTROL AGENCIES FROM THE FLOOD CONTROL FUND OF 1946

RECOMMENDATIONS

Amount budgeted	\$5,832,000
Legislative Analyst's recommendation	5,832,000
Reduction	None

ANALYSIS

The Flood Control Fund of 1946 is authorized by Sections 12800 and 12830 of the Water Code. As originally established it was a repository for surplus moneys of the State accumulated during World War II to await expenditure in implementation of the State's policy to co-operate with the Federal Government on flood control projects. Through the fund, the State pays the local costs of lands, easements and rights of way and the costs of relocating utilities for channel and levee work of the Corps of Engineers. These costs are required to be paid by local beneficiaries under terms of federal law.

Requests for allocation from the Flood Control Fund of 1946 are being made for the following projects:

(a) Santa Ana River Flood Control Project, San Bernardino County. A total of \$830,000 is being requested for the following work, \$670,000 for Twin and Warm Creek improvements and \$160,000 for Mill Creek Levees. This latter work may be disallowed as a new start by the Federal Government and state funds may, therefore, not be needed this year.

(b) Santa Ana River Basin, Lytle-Cajon Creeks Project, San Bernardino County. The sum of \$30,000 is being requested to settle a condemnation case that has been protracted beyond the completion of the project.

(c) Los Angeles River Watershed Program. For this project, \$456,000 is being requested. Of the \$901,000 currently allocated to this project, it appears that \$300,000 will be unused and will revert on June 30, 1958. With this reversion, present indications are that the \$456,000 being requested for next year will be required.

(d) Los Angeles and San Gabriel Rivers and Ballona Creek Project. This is the principal flood control project of the Los Angeles area and has been under construction for many years. For this, \$4,516,000 is being requested for next year. Only a minor allocation was made for the current year and, at present, it appears that the excess of allocations over claims previously prevailing for this project will, for the

Local Assistance

Department of Water Resources—Continued

first time in many years, be negligible. If the program of the Corps of Engineers moves forward and Congress passes the presently stalled Rivers and Harbors Bill to provide a higher dollar ceiling for the project, this allocation from the Flood Control Fund will be required. Without this additional federal authorization, the project work may be halted and some of this money may not be needed.

During the 1957 General Session, \$1,000,000 was appropriated by Item 434 (h) of the Budget Bill for purposes of Chapter 27, Statutes of 1956, and subsequent amendments (generally constituting a reserve for small projects and projects authorized by Congress when the Legislature is not in session). No new projects have been started to date and, in view of the President's policy of no new starts on water resources projects, it does not seem probable that any encumbrances for purposes other than small projects will be made against this \$1,000,000. The Department of Finance is proposing to allocate \$500,000 for purposes of Chapter 27 during the next year and carry over \$500,000 to Fiscal Year 1959-60. At the present time we see no need or purpose served by carrying this \$500,000 surplus in the Flood Control Fund. It is recommended that this \$500,000 be reverted to the General Fund. This reversion will not affect the dollar amount of this budget item although it will add \$500,000 for general budget purposes.

FLOOD CONTROL FUND OF 1946

ITEM 446 of the Budget Bill

Budget page 942

FOR TRANSFER BY THE STATE CONTROLLER TO THE FLOOD CONTROL FUND OF 1946 FROM THE GENERAL FUND

RECOMMENDATIONS

Amount budgeted	\$5,403,379
Legislative Analyst's recommendation	4,953,379
Reduction	\$450,000

ANALYSIS

This item transfers money required to finance budget item No. 445 from the General Fund to the Flood Control Fund of 1946. The amount being transferred is the difference between the estimated expenditure through next fiscal year and the amount of money remaining in the fund on June 30, 1958.

In the two budget items mentioned above, we have previously recommended reverting \$500,000 and \$600,000, or a total of \$1,100,000 from the Flood Control Fund to the General Fund. These reversions will not affect this transfer budget item. *However, we have also recommended disallowing \$450,000 increase for the Middle Creek Project. This amount should be deducted from the transfer item leaving a total of \$4,953,379.*

SOCIAL WELFARE

**County Inspection of Homes for Aged and Children
DEFICIENCY FOR CURRENT YEAR**

ITEM 447 of the Budget Bill

Budget page 949

**FOR SUPPORT OF LOCAL INSPECTION OF HOMES AND AGENCIES
CARING FOR AGED AND CHILDREN FROM THE GENERAL FUND**

Amount requested—Deficiency ----- \$246,396

RECOMMENDED REDUCTIONS

Reduction in budgeted increases ----- None
Improved efficiency and policy reappraisal ----- \$30,429

Total reductions ----- \$30,429

GENERAL SUMMARY

This local assistance item provides for a deficiency occurring during the current year for administration of licensing at the county level. Sections 1622 and 2302 of the Welfare and Institutions Code provide for delegation of licensing to counties and for reimbursement of county costs to the extent found necessary for proper and efficient administration. Chapter 2300, Statutes of 1957, changed the maximum reimbursement figure from "an amount averaging \$5 per month per license" in effect to an amount not exceeding \$65 for each new or renewal license granted.

The licensing handled by counties is for the smaller boarding homes for aged and children (i.e., under 15 occupants) and the smaller day care nurseries (i.e., under 10 children). The larger facilities are licensed by state staff (see item 244, budget page 576).

ANALYSIS

Chapter 2300, Statutes of 1957, provides the following:

"The costs of any inspection service undertaken by a county or city, with the approval of the State Department of Social Welfare, shall be borne by the State in the amount found necessary by the State Department of Social Welfare for proper and efficient administration, but not to exceed in any fiscal year an amount equal to sixty-five dollars (\$65) for each new or renewal license granted. Claims shall be filed with the department at the time and in the manner specified by the department for reimbursement of the expenses incurred." (Sections 1622 and 2302 of the Welfare and Institutions Code)

To receive this assistance counties are supposed to grant licenses to facilities which meet standards adopted by the department. The department does not exercise management controls over this function as is done for the subvention for county adoption programs. Only accounting controls provide for allocation of county costs for licensing. Staffing formulas, methods and procedures, supervision and personnel standards do not exist. The department has construed the law as requiring a flat \$65 payment for each license issued, if costs are equal to the maximum. In addition, although the act did not become effective until October 1, 1957, the department is proposing to reimburse the counties on the new basis effective July 1, 1957, three months early.

Local Assistance

Deficiency for Current Year—Continued

The current 1957-58 requested deficiency amounts to \$246,396. If there had been no change in the law, a deficiency of \$77,616 would still exist because of an increased number of licenses. The balance of \$168,780 results from the change in the reimbursement formula from \$5 per month per license in force to \$65 per year per license issued. The estimate of cost of the act passed by the Legislature was given as \$51,000 for the current year, or \$107,780 less than the present estimate of actual cost.

Increased caseload	\$77,616
Increased cost due to new formula	168,780
(Cost estimate to Legislature was \$51,000)	
Total	\$246,396

However, the Department of Social Welfare is applying the increased reimbursement formula as of July 1, 1957, although the effective date of the legislation was October 1, 1957. We question this procedure and recommend the following procedure as a basis for allocating this reimbursement.

July to September, 1957	
16,900 cases \times \$4.90 \times 3 months =	\$248,430
(Old formula)	
October, 1957 to June, 1958	
18,600 cases \times \$63 \times 9/12 =	878,850
Total cost	\$1,127,280
1957-58 Budget Act Appropriation	911,313
Deficiency	\$215,967

The dollar amounts in each of the formulas above are based upon actual experience and reduce the maximum reimbursement figure in each case by a factor which takes into consideration counties which do not spend the maximum.

The first three months are allocated under the previous formula of \$5 maximum per month per average number of licenses. The new formula is computed for the remaining nine months of the fiscal year for the number of licenses issued, at the reimbursement maximum of \$65 each. The basic difference between this method and the department's approach is that the department applies the new formula three months in advance of the effective date of the legislation.

We recommend that if a deficiency appropriation is approved for this item, it should be no greater than \$215,967, a reduction of \$30,425. Stricter administrative management could reduce this even more, particularly in view of the cost estimates presented to the Legislature in the 1957 Session.

In summary, our reasons for this recommended reduction are as follows:

1. An amount less than the maximum is capable of administration by the department, and reimbursements to the counties can be made within only specified amounts appropriated by the Legislature.

Local Assistance

Deficiency for Current Year—Continued

2. The law, in our opinion, places upon the department a clear obligation to base the reimbursement upon a finding of the "amount necessary for proper and efficient administration," rather than an allocation of the maximum amount provided only that this amount has been spent.

3. The department has improperly proposed to incur obligations based on costs of the new formula retroactively.

COUNTY INSPECTION OF HOMES FOR AGED AND CHILDREN

ITEM 448 of the Budget Bill

Budget page 949

FOR SUPPORT OF LOCAL INSPECTION OF HOMES AND AGENCIES CARING FOR AGED AND CHILDREN FROM THE GENERAL FUND

Amount requested	\$1,239,840
Estimated to be expended in 1957-58 Fiscal Year	1,157,709
Increase (7.1 percent)	\$82,131

RECOMMENDED REDUCTIONS..... None

GENERAL SUMMARY

This local assistance item provides for administration of licensing at the county level for 1958-59 (see also the preceding item). Sections 1622 and 2302 provide for delegation of licensing to counties and for reimbursement of county costs incurred by proper and efficient administration. Chapter 2300, Statutes of 1957, changed the reimbursement figure from "an amount averaging \$5 per month per license" to an amount not exceeding \$65 for each new or renewal license granted.

The licensing handled by counties is for the smaller boarding homes for aged and children (i.e., under 15 occupants) and the smaller day care nurseries (i.e., under 10 children). The larger facilities are licensed by state staff (see Item 244, budget page 576).

ANALYSIS

This program has experienced both an increase in the number of licenses issued and a new reimbursement formula. These two factors account for the substantial cost increase. In 1956-57 the amount for this item was \$942,131 while the amount requested for 1958-59 is \$1,239,840 or an increase of 31.6 percent. The legislative bill estimate was \$68,000 annually, but the increase is closer to \$200,000 annually.

This program is operated without federal aid. In our opinion, there are insufficient management controls in the program. The department should develop these.

We recommend approval of the item in the amount budgeted.

Economies and Improvements Requiring Legislation

Licensing fees should be established for this service. This recommendation for legislative consideration is covered more fully under this heading in the State Department of Social Welfare item.

Subventions

COUNTY ADOPTION PROGRAMS

ITEM 449 of the Budget Bill

Budget page 950

FOR SUPPORT OF COUNTY ADOPTIONS PROGRAMS FROM THE GENERAL FUND

Amount requested	\$1,965,454
Estimated to be expended in 1957-58 Fiscal Year	1,740,701
Increase (12.9 percent)	\$224,753

RECOMMENDED REDUCTIONS..... None

GENERAL SUMMARY

In 1947 the Legislature made far-reaching changes in the Adoptions Law and gave the department power to license county adoption agencies for relinquishment and independent adoptions. Section 1641 of the Welfare and Institutions Code specifies that the State shall reimburse counties for the costs of administration and care. There are two types of adoptions for which counties are licensed: (1) relinquishment adoptions, (2) independent adoptions. There are presently 18 counties licensed for relinquishment adoptions, 14 of which are also licensed for independent adoptions work.

ANALYSIS

The proposed budget consists of:

Existing service	\$2,197,350
Salary increases at 3.75 percent	83,364
Cost of care—commitments	7,500
Gross	\$2,288,214
Less fees	348,460
Net	\$1,939,754
New counties	25,700
Total	\$1,965,454

A part of the increase represents the proposed addition of three more counties to undertake adoptions work for the first time. Since this is established under existing law and policy, we recommend approval.

SUBVENTIONS FOR OTHER PURPOSES

SALARIES OF SUPERIOR COURT JUDGES

ITEM 450 of the Budget Bill

Budget page 952

FOR STATE'S SHARE OF SALARIES OF JUDGES OF SUPERIOR COURTS FROM THE GENERAL FUND

Amount requested	\$2,355,000
Estimated to be expended in 1957-58 Fiscal Year	2,278,897
Increase (3.3 percent)	\$76,103

RECOMMENDED REDUCTIONS..... None

Subventions

Salaries for Superior Court Judges—Continued

ANALYSIS

In accordance with Sections 68206 and 68207 of the Government Code, the State contributes to the salary of each judge of the superior courts. The salary formula based on the population of the county is as follows:

<i>Population of county</i>	<i>State's share</i>	<i>County's share</i>	<i>Total salary</i>
250,000 or more-----	\$8,500	\$9,500	\$18,000
More than 40,000 but less than 250,000-----	9,000	7,500	16,500
40,000 or less-----	9,500	5,500	15,000

In the 1958-59 Fiscal Year, the 28 additional judges authorized during the 1957 General Session will receive a full year's compensation. This principally accounts for the \$76,103 increase.

We recommend approval.

COUNTY VETERANS' SERVICE OFFICERS

ITEM 451 of the Budget Bill

Budget page 953

FOR CONTRIBUTIONS TO COUNTIES TOWARD THE COMPENSATION AND EXPENSES OF COUNTY VETERANS' SERVICE OFFICERS FROM THE GENERAL FUND

Amount requested-----	\$500,000
Estimated to be expended in 1957-58 Fiscal Year-----	500,000

Increase-----	None
---------------	------

RECOMMENDED REDUCTIONS----- None

ANALYSIS

Under the terms of Chapter 429, Statutes of 1939, county boards of supervisors are authorized to fix the compensation for and set the qualifications of a "county service officer." Chapter 1493, Statutes of 1945, authorized the Veterans Welfare Board to contribute state moneys for the compensation and expenses of the county service officers. Under the terms of Chapter 1493, the Veterans Board may pay up to a maximum of \$75 per month of the county service officer's salary and 80 percent of the first assistant's plus 50 percent of the salaries of other assistants as well as allowing \$600 toward the operating expenses of the county's program. The amount appropriated by this item has been consistently \$350,000 per year for several years; however, the 1957 Session of the Legislature added \$150,000 to provide a total of \$500,000 as the State's contribution to the program. As a result of the legislative action, the Department of Veterans Affairs has been able to reimburse the counties to the maximum that was established in the statute.

In previous analyses of this item we have questioned the necessity for the operation. However, in view of the fact that we have recommended the discontinuance of the veterans' claims and rights service, we do not raise an objection to this program, since the veteran should be provided with some state assistance in processing his claim. We recommend approval as budgeted.

Subventions

COUNTY AGRICULTURAL COMMISSIONERS

ITEM 452 of the Budget Bill

Budget page 953

FOR SALARIES OF COUNTY AGRICULTURAL COMMISSIONERS ON COMPENSATION FOR SERVICES PERFORMED FOR COUNTY AGRICULTURAL DEPARTMENTS, DEPARTMENT OF AGRICULTURE, FROM THE GENERAL FUND

Amount requested	\$154,800
Estimated to be expended in 1957-58 Fiscal Year	147,620
Increase (4.9 percent)	\$7,180

RECOMMENDATION

Make payable from Fair and Exposition Fund

ANALYSIS

Section 63.5 of the Agricultural Code provides that the State pay to each county not more than two-thirds of the agricultural commissioner's salary, or \$3,000, whichever is the lesser.

The State participates in this program in order to secure uniform enforcement of the Agricultural Code which is required to be enforced by the county employees to a great extent.

At the present time 50 counties participate in the program with all but three receiving the maximum \$3,000. It is anticipated that three counties will be added in the budget year and that 52 of the total of 53 will receive the full \$3,000.

We believe that this expenditure might appropriately be supported from the Fair and Exposition Fund as a promotion to agriculture.

STATE DISASTER OFFICE

ITEM 453 of the Budget Bill

Budget page 953

FOR SUPPORT OF WORKMEN'S COMPENSATION FOR CIVIL DEFENSE WORKERS FROM THE GENERAL FUND

Amount requested	\$80,000
Estimated to be expended in 1957-58 Fiscal Year	60,000
Increase (33.33 percent)	\$20,000

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$20,000
Improved efficiency and policy reappraisal	40,000
Total reductions	\$60,000

ANALYSIS

Workmen's compensation for voluntary civil defense workers was first provided by action of the Legislature in 1943 at the same time that the Office of Civil Defense was established. Subsequently the legislation was amended to cover disaster service workers as well. This action of the Legislature made it possible for volunteer civil defense or disaster workers to receive hospitalization, medical care and other compensation necessitated by injuries sustained during training programs or during active disaster work, at state expense.

In the current fiscal year it is estimated that \$60,000 will be expended for this purpose which is used to reimburse the Workmen's Compensation Fund for its expenditures on behalf of these workers. It is now

State Disaster Office—Continued

proposed to increase this amount to \$80,000 presumably based on actual experiences. In view of our recommended reductions in the activity of the State Disaster Office we believe that this request can be reduced by \$60,000 to provide only \$20,000 for this purpose in the budget year.

Department of Youth Authority

AID FOR COUNTY JUVENILE HOMES AND CAMPS

ITEM 454 of the Budget Bill

Budget page 954

FOR REIMBURSEMENTS TO COUNTIES FOR MAINTENANCE OF JUVENILE HOMES AND CAMPS FROM THE GENERAL FUND

Amount requested	\$2,080,000
Estimated to be expended in 1957-58 Fiscal Year	1,566,000
Increase (32.8 percent)	\$514,000

RECOMMENDED REDUCTIONS..... None

ANALYSIS

Section 950 through 960 of the Welfare and Institutions Code provides reimbursement to counties for one-half of the cost, not exceeding \$95 per month per ward, of operating juvenile homes and camps established by the counties for the care of juvenile offenders.

There are currently 27 camps and juvenile homes in operation and eligible for the subvention in the current year. The department estimates a total of 12 more camps in the 1958-59 Fiscal Year. This would make a total of 39 juvenile homes and camps eligible for state subvention.

We recommend approval of the amount requested.

The Legislature initiated assistance to counties for the operation of juvenile homes and camps in 1945, at which time the rate of reimbursement was \$50 per month per ward. The rate was changed to \$80 in 1949 and revised to the \$95 figure in 1953.

On the other hand, counties pay the State at the rate of \$25 per month per ward for juvenile offenders committed to the Youth Authority. This rate was established by the Legislature in 1947. From 1943 to 1947 the rate was \$20 per month per ward with provision for a rate not to exceed \$40, if the county could be reimbursed for the cost by parents, relatives, guardian or the ward's estate.

Thus from the counties' point of view it will cost either one-half of actual per capita cost, or the excess over \$95, depending on whether the per capita cost is more than \$190 per month, to care for a juvenile offender in county facilities whereas it will only cost the county \$25 a month if the juvenile is committed to the Youth Authority.

The average cost per month per ward for all county camp care is estimated to be \$227 for 1957-58 and \$203 for 1958-59. Thus on an average after deducting the state subvention it will cost a county \$138 in 1957-58 and \$124 in 1958-59 per month to care for juvenile delinquents in its own facilities compared with \$25 per month if the ward is committed to the Youth Authority.

The effect of this differential in cost on the number of requests for commitment to the Youth Authority is obvious.

Subventions

Aid for County Juvenile Homes and Camps—Continued

We believe that the cost to the county of caring for juvenile offenders should be the same regardless of whether the ward is cared for at a local facility or at a Youth Authority facility and should tend to encourage local government to expand their facilities and treatment program.

Ultimately the entire cost of juvenile delinquency is borne by the taxpayers at large. It seems reasonable to ask that they pay a little more at the local level to avoid a much greater expenditure later at the state level.

If comparable charges to State and county had been equalized for the current year, the reimbursement to the State could be estimated at \$3,271,800, an increase of \$2,410,800 over the amount estimated in the 1958-59 Budget.

We recommend that legislation be enacted at the next general session increasing the charge to counties for commitments to the Youth Authority to \$95 per month per ward, and that it be adjusted to any changes in the state subvention rate thereafter.

Department of Youth Authority ASSISTANCE TO COUNTIES FOR CONSTRUCTION OF JUVENILE HOMES AND CAMPS

ITEM 455 of the Budget Bill

Budget page 954

FOR SUPPORT OF ASSISTANCE TO COUNTIES FOR CONSTRUCTION OF JUVENILE HOMES AND CAMPS FROM THE GENERAL FUND

Amount requested	\$1,000,000
Estimated to be expended in 1957-58 Fiscal Year	600,000
Increase (40.0 percent)	\$400,000

RECOMMENDED REDUCTIONS..... None

ANALYSIS

The 1957 Legislature enacted legislation for state participation in the cost of county construction of juvenile homes, juvenile ranch camps or forestry camps established after July 1, 1957, and for construction at existing juvenile homes, ranch camps or forestry camps exclusive of architects' fees or the cost of land acquisition.

The amount of state assistance which shall be provided to any county shall not exceed 50 percent of the project cost approved by the Youth Authority and in no event shall it exceed \$3,000 per bed unit of a new facility or per bed unit added to an existing facility.

The department reports that 10 counties have allocated \$1,430,476 in their current year's budgets to initiate construction of juvenile facilities for the care and treatment of delinquent youth.

The proposed state subvention will add an additional 350-bed units or 26.9 percent increase in total bed capacity of county juvenile facilities.

If this program is continued, it is reasonable to expect some reduction in Youth Authority commitments.

We recommend approval of the budget as submitted.

Subventions

Department of Youth Authority ASSISTANCE TO COUNTIES FOR CONSTRUCTION OF JUVENILE HOMES AND CAMPS

ITEM 456 of the Budget Bill

Budget page 954

FOR SUPPORT OF ASSISTANCE TO COUNTIES FOR CONSTRUCTION OF JUVENILE HOMES AND CAMPS FROM THE GENERAL FUND

Amount requested ----- \$55,000

RECOMMENDED REDUCTIONS ----- None

ANALYSIS

The 1957 Legislature enacted legislation and allocated \$600,000 for state participation in the cost of construction of juvenile homes, juvenile ranch camps or forestry camps established after July 1, 1957.

The amount requested, together with the initial appropriation, will finance the State's share of construction cost of 250 additional bed units in county juvenile facilities in the current year.

The present law stipulates that project cost shall be approved by the Youth Authority. However, no limitation has been placed on county construction cost per bed unit. Estimates submitted by various counties reflect considerable variance in the construction cost per bed unit, ranging from \$3,667 to \$7,210 per bed unit for new facilities and from \$3,889 to \$8,447 per bed unit for additions to existing facilities.

The department reports that they are cognizant of this problem and basic construction standards for county camps will be established in conjunction with the Division of Architecture to provide additional bed units at county facilities at minimum cost.

We recommend approval of the item.

APPENDIX

DEPARTMENT OF EMPLOYMENT

ITEM 457 of the Budget Bill

Budget page 1003

FOR SUPPORT OF DISABILITY AND HOSPITAL BENEFITS PROGRAM FROM THE UNEMPLOYMENT COMPENSATION DISABILITY FUND

Amount requested ----- \$5,086,123

Estimated to be expended in 1957-58 Fiscal Year ----- 4,562,938

Increase 11.5 percent ----- \$523,185

Summary of Increase

	Total Increase	INCREASE DUE TO Workload or salary adjustments	New services	Budget Line page No.
Salaries and wages -----	\$429,218	\$429,218	---	1012 6
Operating expense -----	87,700	87,700	---	1012 7
Equipment -----	6,267	6,267	---	1012 8
Total increase -----	\$523,185	\$523,185	--	1012 10

RECOMMENDED REDUCTIONS ----- None

GENERAL SUMMARY

The disability and hospital benefits program is a state-financed program administered by the Department of Employment in conjunction with its administration of the federally financed unemployment insurance and employment service programs.