

## Public Utilities Commission—Continued

## ANALYSIS

This appropriation is for costs of administration involving regulation of carriers of property for compensation by rail, truck or water, the details of which are included under budget item 243. Any adjustments in that item relating to administrative costs of the foregoing will require a corresponding adjustment in this item.

## DEPARTMENT OF SOCIAL WELFARE

ITEM 245 of the Budget Bill

Budget page 613

FOR SUPPORT OF THE DEPARTMENT OF SOCIAL WELFARE  
FROM THE GENERAL FUND

Amount requested.....	\$3,499,893
Estimated to be expended in 1959-60 fiscal year.....	3,258,582
Increase (7.4 percent).....	\$241,311
<b>TOTAL RECOMMENDED REDUCTION.....</b>	<b>\$81,256</b>

## Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Departmental Administration			
Departmental reorganization			
Special projects supervisor.....	\$13,800	616	26
Staff assistant to director.....	11,400	616	28
Two intermediate stenographers.....	7,440	616	30
Proposed aging program			
Interdepartmental aging coordinator.....	9,852	616	39
Associate research technician.....	7,728	616	40
Assistant research technician.....	6,360	616	41
Field representative.....	7,008	616	42
Senior stenographer-clerk.....	4,296	616	43
Intermediate stenographer-clerk.....	3,540	616	44
Operating expenses.....	6,986	620	24
Equipment.....	2,846	620	26

The support budget of the Department of Social Welfare proposes an appropriation of \$3,499,893 for the 1960-61 fiscal year. This is an increase of \$241,311 or 7.4 percent above what is expected to be expended during the current year.

This appropriation is for the state share of the departmental administrative costs of all the various categorical aid programs.

Supervision and policy making of all welfare programs is delegated to the State Department of Social Welfare which is guided by the policy decisions of its Social Welfare Board. The direct operation is by the 58 county welfare departments in all but parts of three programs. The various welfare programs are as follows:

1. Old Age Security.
2. Aid to Needy Children in families.
3. Aid to Needy Children in foster homes.
4. Aid to Needy Blind.
5. Aid to Partially Self-supporting Blind.
6. Aid to Totally Disabled.
7. Medical Care.

**Department of Social Welfare—Continued**

8. Adoptions (partly state-operated).
9. Licensing (partly state-operated).
10. Prevention of Blindness (state-operated with county assistance).
11. Child Welfare Services.

In addition, the counties operate general relief programs, public health programs, and county hospitals, some of which receive subventions from other state agencies.

The State Department of Social Welfare is composed of the Social Welfare Board, the central office and three area offices. It is the budget bill item for this agency which is before the Legislature for review, together with two local assistance subvention items for county administrative expense for adoptions and licensing.

**Summary of Aid Costs**

The categorical aid programs are nonbudget items without annual legislative review and control. The following table indicates recent cost and caseload trends.

Table I—Summary of Aid Costs<sup>1</sup>  
(Cost in millions of dollars)

	<i>Actual 1948-49</i>		<i>Actual 1958-59</i>		<i>Revised budget estimate 1959-60</i>		<i>Budget estimated 1960-61</i>	
	<i>Cost</i>	<i>Caseload</i>	<i>Cost</i>	<i>Caseload</i>	<i>Cost</i>	<i>Caseload</i>	<i>Cost</i>	<i>Caseload</i>
Old Age Security-----	\$163.3	208,418	\$266.3	263,075	\$270.9	257,830	\$273.5	253,200
Aid to Needy Blind-----	7.3	7,705	17.1	13,675	17.6	13,835	18.6	14,315
Aid to Partially Self-supporting Blind-----	0.5	505	0.4	300	0.4	300	0.4	300
Aid to Needy Children-----	29.8	50,069	142.9	252,147	151.2	266,965	152.2	264,725
Family Groups-----	--	--	(133.3)	(240,596)	(140.6)	(254,775)	(140.7)	(251,875)
Foster Care-----	--	--	(9.6)	(11,551)	(10.6)	(12,190)	(11.5)	(12,850)
Aid to Totally Disabled-----	--	--	4.8	4,983	9.4	8,045	13.9	11,155
Medical Care <sup>2</sup> -----	--	--	(31.7)	--	(32.1)	--	(32.1)	--
	<u>\$200.9</u>	<u>266,697</u>	<u>\$431.5</u>	<u>534,180</u>	<u>\$449.5</u>	<u>546,979</u>	<u>\$458.6</u>	<u>543,695</u>

<sup>1</sup> Costs shown are total costs, state, county and federal.

<sup>2</sup> Included in all categorical aid costs.

**Department of Social Welfare—Continued**

The costs shown in Table I represent the funds that are given to recipients. In addition to these funds, \$54,857,000 in federal, state, and county funds, are spent for the administration of the categorical aid programs.

As Table I shows, costs have increased 6.3 percent or \$27.1 million between 1958-59 and 1960-61, a period of two years. This has resulted largely from Aid to Needy Children caseload increases and grant increases provided by the legislature during the 1959 General Session.

The 1959-60 estimates are shown in the Governor's Budget under local assistance. Counties share all program costs to some degree except for medical care, the Federal Government shares program costs for four of the six programs (Old Age Security, Aid to Needy Blind, Aid to Needy Children family groups and Aid to Totally Disabled), with each formula being different.

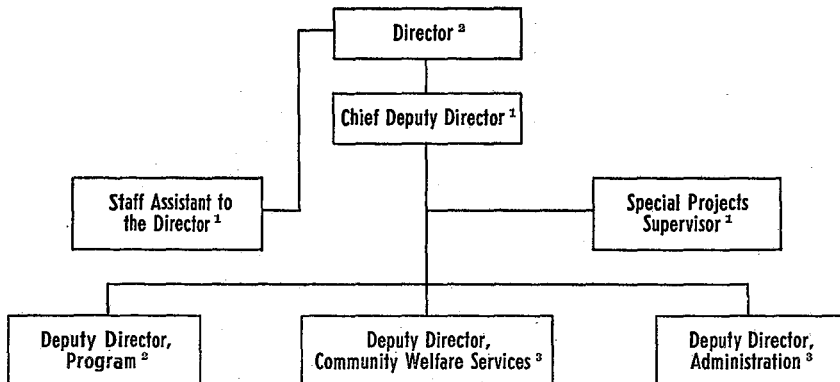
**Departmental Administration**

**Departmental Reorganization**

On August 27, 1959, a management survey of the Department of Social Welfare was started by the Organization and Cost Control Division (OCC) of the Department of Finance. On November 9, 1959, OCC presented a memorandum in the nature of an interim report setting forth its findings and recommendations as to organization of the department above the division level. The department has accepted these recommendations and has implemented some of them.

The present top organizational structure consists of the director and a civil service deputy director. There are four division chiefs, the chief of area operations and three staff personnel reporting directly to the deputy director. One division, the Division for the Blind, reports directly to the director by law.

The new organization as proposed by OCC is as follows:



<sup>1</sup> New positions.

<sup>2</sup> Existing position.

<sup>3</sup> Reclassification of existing position.

The new organization establishes three new positions and calls for the reclassification of the chief of operations position to deputy director, Community Welfare Services and the reclassification of the Chief of

## Department of Social Welfare—Continued

the Division of Administrative Services to deputy director, administration. The existing civil service deputy director position will become the deputy director position responsible for program functions. The reclassifications have not been accomplished yet and thus are not shown in the budget.

The three new positions proposed by the OCC study are the chief deputy director, special projects supervisor and staff assistant to the director. These positions are budgeted for the current year. The chief deputy director position is an exempt position authorized by Chapter 1843, Statutes of 1959, which provides for 12 additional exempt deputy director positions in various state agencies. This position and a stenographer are being financed by savings realized by the department during the current year. The other two new positions, the staff assistant to the director and special projects supervisor plus two secretarial positions are being financed for the current year by the abolishment of six public assistance specialist positions.

The three new positions on the above organization chart and the three clerical positions have been established during the current year and are shown for the budget year as existing authorized positions. We believe the Legislature should be made aware of this fact and that the budget should show these as proposed new positions for the budget year, even if the Department of Finance does authorize their establishment during the current year. This is the procedure normally followed when positions are established during the current year by administrative authorization and it is desired to continue them for the budget year.

We are in agreement with some of the aspects of the OCC study. We believe the over-all top administrative structure of the department should be strengthened and thus recommend the establishment of the chief deputy director position as authorized by Chapter 1843, Statutes of 1959. We are in agreement with the reclassifications of the two existing positions to deputy director positions. We agree generally with the proposal to have the programs divisions, such as the Divisions of Social Security, Child Welfare Services, etc., under the deputy director, program; however, it is proposed to have the Division for the Blind under this deputy and the law provides that the division report directly to the director.

*We do not agree with the establishment of the special projects supervisor position, the staff assistant to the director position and two clerical positions and recommend their abolishment at a savings of \$32,640.*

The justification for the special projects supervisor presented in the OCC study is that there should be greater co-ordinated effort put forth in the various special projects and studies conducted by the department. Also there should be definite planning given to any expansion of the project activity.

The justification for the staff assistant to the director is simply that "there is a clear need for at least one staff assistant to handle administrative detail in the director's office."

We can not see the necessity for these two positions with the establishment of the chief deputy director position and the two deputy director positions. The granting of more authority to these two positions

## Department of Social Welfare—Continued

and the existing deputy director position so that the department will have deputy directors over program, community services, and administration in addition to the chief deputy position appears to strengthen the top structure considerably. With this structure, it appears that very little administrative detail should be coming to a director that would warrant a \$11,400 a year assistant. With this structure, the director and chief deputy should be able to co-ordinate the departmental special projects and aid in the planning of new ones, which actually is done on a lower staff level.

## Interdepartmental Aging Co-ordinator

The budget proposes a new program related to the problems of the aging. The explanation and justification for this program is that shown on budget page 615, line 75, which states "In order to provide co-ordination between all state departments affected with the total complex problems of aging, it is proposed to add an executive director for the interdepartmental committee on aging, two research positions, a field position, and two clerical positions." The total cost for this proposed program would be \$48,616.

*We recommend the deletion of the positions for this program.*

An interdepartmental co-ordinating committee on aging was established by the Governor in 1951. In 1953, an executive secretary position was established on a full-time basis and supported by the participating departmental budgets. In 1955, a Citizens' Advisory Committee on Aging was established and in 1956 participation of legislators on the committee was provided for. The interdepartmental committee was abolished January 1, 1959, and a subcommittee on aging of the Health and Welfare Committee of the Governor's Council was formed. This subcommittee has met four times during the past year.

We cannot recommend the establishment of this new program on two grounds. First, we have not seen any justification supporting the need for such a program. There has not been presented any supporting data for the establishment of the interdepartmental co-ordinator and a staff of two research technicians, a field representative and two clerical positions. As we mentioned above, the present executive secretary position with the citizens' committee came from the comparable position which is again proposed for the interdepartmental committee. Instead of one position for the interdepartmental committee as before, six are now proposed and the citizens' committee with its staff of four is budgeted to continue. All these positions are limited to functions of advising.

Secondly, we can see that the State has a responsibility in relation to the many problems of aging. The Department of Social Welfare is directly concerned with approximately 20 percent of all persons over 65 years of age. The Department of Employment is concerned with employment problems of those under and above 65 years of age. The Department of Public Health has a direct concern in prevention of degenerative diseases of the whole aged population. The Departments of Industrial Relations and Mental Hygiene are also directly concerned

**Department of Social Welfare—Continued**

with the problem. Each of these agencies has a primary responsibility of which aging is a part. We do not believe that these responsibilities should be fragmatized and placed into a separate agency or one agency that has a partial responsibility such as the Department of Social Welfare.

It appears to us that this situation is analogous to the situation of the problems confronting the State in 1959 concerning radiation. The Governor and the Legislature felt that since each agency had a primary responsibility of which radiation was only a part, although an important part, then an interdepartmental co-ordinator should be in the Governor's office rather than in one operating agency. We supported that proposal during the 1959 General Session and cannot see now where the manner of dealing with co-ordination in respect to the aging problem is greatly different.

Thus, should the Legislature conclude that a co-ordinator is necessary in relation to departmental responsibilities concerning the problems of aging, we recommend that the position and one stenographer position be established in the Governor's office and that there be no provision for a staff as proposed in the Department of Social Welfare. We further recommend that should the co-ordinator be established in the Governor's office that he present a positive program to the Governor and the Legislature for future consideration.

We have also recommended in the following budget item that the appropriation for the Citizens' Advisory Committee on Aging, be reduced to provide only enough funds for the State's participation in the White House Conference on the Problems of Aging in January 1961 and clerical co-ordinating assistance to the advisory committee.

**Division of Medical Care**

One position of public assistance specialist II is requested for this division on a permanent basis. This position is budgeted for the current year on a limited term basis.

*We recommend approval of this position as budgeted.*

When the staffing pattern of the division was originally conceived, it was not foreseen that a major part of the division's activities would have to be devoted to the maintenance of relationships with a multitude of professional organizations, the negotiation of mutually acceptable rules and regulations and fee schedules, and constant planning for revisions in coverage and other administrative means to keep the expenditures of the program within fiscal limitations.

This position was originally financed in December 1958 by the abolishment of a clerical position in the Division of Administrative Services. Another clerical position was abolished in the Division of Medical Care for the current year.

**Division of Administrative Services****Bureau of Office Services**

Two intermediate typist-clerks at a cost of \$7,260 are requested for the Bureau of Office Services for increased workload.

## Department of Social Welfare—Continued

*We recommend approval of these positions as budgeted.*

These positions are requested on the basis of the existing clerical yardsticks which measure clerical requirements on the basis of work units. These positions will be established only when workload reaches the point where additional staff is justified by application of the yardstick.

## Bureau of Personnel

One intermediate typist-clerk at a cost of \$3,630 is requested as the re-establishment of a position eliminated during the 1959-60 fiscal year on the basis that there would be no workload increase.

*We recommend approval of the position as budgeted.*

This position was originally established on the basis of workload estimates. It was abolished in response to a request for economies wherever possible and at a time when the workload did not actually materialize. Since its abolishment the workload has materialized.

## Bureau of Management Analysis

An associate administrative analyst is requested for this bureau at a cost of \$8,112.

*We recommend approval of the position as budgeted.*

This request is for the permanent extension of a position due to terminate at the end of the current year. This position was originally requested to permit the assignment of a full-time consultant to Alameda County in connection with their electronic data processing installation. The interest of counties in electronic data processing has stepped up to a point where the department anticipates this specialized field and consulting activity will require the full time of this position.

## Research and Statistics

Funds for two intermediate account clerks and 0.5 temporary help money are requested on a workload basis at a total cost of \$9,548.

*We recommend approval of these positions as budgeted.*

The temporary help money is requested for the part-time services of a tabulating machine operator. The increased workload is a direct result of legislation passed during the 1959 General Session. The two clerks are requested due to increased workload in all the assistance programs. We have reviewed the anticipated and present workload increases and recommend approval of the requests.

Two assistant research technicians at a cost of \$12,720 are requested for the Bureau of Research of the Research and Statistics Unit. One of the two is requested for Aid to Needy Children research workload and the other is requested for Medical Care research workload.

*We recommend approval of both positions.*

Mounting caseloads and costs in the Aid to Needy Children program have focused public and legislative attention on this program with the resulting demand for more studies, analyses and compilation of data than can be handled by the one position assigned to this function. This position will also spend time on general relief problems due to recurring legislative interest in this area.



## Department of Social Welfare—Continued

The same situation is also applicable to the position requested for research in the Medical Care and Aid to Totally Disabled (ATD) programs. Some of the workload brought about during the 1959 Session of the Legislature that causes the necessity for this position was the establishment of a medical care program for ATD, the requirement for semiannual sampling to determine deposit rates to the Medical Care Revolving Funds, and the establishment of attendant care provisions in ATD and the necessity for controlled expenditures because of the \$98 average provision.

One senior file clerk at a cost of \$4,404 is requested for the Research and Statistics Unit to bring the present low level of filing up to a minimum standard.

*We recommend approval of this position as budgeted.*

There is presently no position available in the unit for purposes of filing the voluminous amount of information that comes into this unit. The present filing is handled by stenographers and technical personnel. This has proved to be an unsatisfactory situation as the backlog of filing has reached a point that material needed for reference is stacked on tables. With the establishment of this position, it can be assumed that there will be a greater efficiency realized in the use of technical personnel.

## Area Operations

A total of 12 positions at a cost of \$64,820 are requested for the area operations on a workload basis.

*We recommend approval of the positions as budgeted.*

A breakdown of the 12 positions is as follows:

3 Medical social work consultant II positions (to June 30, 1961)	-----	\$23,420
3 Intermediate stenographer-clerks	-----	11,430
3 Intermediate typist-clerks	-----	10,890
3 Medical social work consultant I positions	-----	19,080
Total	-----	\$64,820

The three medical social work consultant II positions have been in existence on a limited term basis and are due to expire at the end of the current fiscal year. The budget proposes extending these positions for one more year. These positions supervise the Medical Services Section of each area office and co-ordinates area, county and central office medical activities.

The three intermediate stenographer-clerks and the three medical social work consultant I positions are requested on the basis of 1959 legislation providing medical care for the Aid to Totally Disabled program. These positions will add three additional teams in the field to the two teams added in the current year on an emergency basis as a result of the legislation.

The three intermediate typist-clerks are requested for the area offices on the basis of the existing clerical yardsticks which measure clerical requirements on the basis of work units. These positions will be established only when workload reaches the point where additional staff is justified by application of the yardstick.

## CITIZENS' ADVISORY COMMITTEE ON AGING

ITEM 246 of the Budget Bill

Budget page 623

FOR SUPPORT OF THE CITIZENS' ADVISORY COMMITTEE ON AGING  
FROM THE GENERAL FUND

Amount requested .....	\$48,465
Estimated to be expended in 1959-60 fiscal year .....	45,619

Increase (6.2 percent) .....	\$2,846
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TOTAL RECOMMENDED REDUCTION .....	\$37,033
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## Summary of Recommended Reductions

	Amount	Page	Line
Salaries and wages:			
Executive secretary .....	\$10,860	623	4
Specialist .....	8,520	623	5
Clerical .....	3,792	623	6
Operating expenses .....	13,861	623	20

## ANALYSIS

Proposed expenditures for this program for the 1960-61 fiscal year are \$48,465, which is an increase of \$2,846, or 6.2 percent, over that which is estimated to be spent during the current year.

*We recommend a reduction of \$37,033 in this item on the basis that \$11,432 will be an adequate amount to fulfill the duties of the committee as outlined in Sections 2370 and 2371 of the Welfare and Institutions Code.*

Legislation establishing the committee as a separate agency was passed in 1955. Section 2370 of the Welfare and Institutions Code provides as follows:

"There is in the State Government, to advise the Governor on the needs and problems of the aging persons of California, a Citizens' Advisory Committee on Aging. The committee shall be composed of eight persons, appointed by the Governor, and selected on the basis of their demonstrated interest in the health, welfare and happiness and the maintaining of adequate living standards for elderly persons in this State. The committee shall be solely advisory in character, and shall not be delegated any administrative authority or responsibility. The Governor shall designate the chairman and vice chairman of the committee and committee members shall serve at the pleasure of the Governor. Committee members shall serve without compensation, but shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of their duties under this chapter."

As can be seen from the above code section, the sole responsibility of the committee is to advise the Governor on the problems of aging.

The executive secretary of the committee has stated its objectives as (1) study and reporting to the Governor; (2) maintaining an information center; (3) assisting local groups to study and act on the problems of aging. The first of the above three is the legal directive. The latter two are the agency's idea of what they should do in conjunction with advising the Governor.

## Citizens' Advisory Committee on Aging—Continued

We have had reservations concerning the activity of this agency almost since its inception. It appears that the Governor also has reservations concerning the program by the fact that there is included in the Department of Social Welfare budget a proposal for the establishment of an interdepartment aging coordinator with a staff of five people at a total cost of \$48,616. We can neither recommend the program in the Department of Social Welfare or the existence of this committee at its present level. It appears that there is a diversification of opinion as to what should be the appropriate state activity and we recommend that should the Legislature establish the position of interdepartmental coordinator for aging in the Governor's office, then that person upon consultation with various state agencies should present a positive program in this area to both the Governor and the Legislature. We are recommending that \$11,432 be appropriated for this item due to the White House Conference on Aging in January 1961. These funds would provide for a senior clerical position to co-ordinate the activities of the committee, in-state travel money for the committee, and out-of-state travel money so the committee could attend the White House Conference and obtain information so that it could advise the Governor.

## DEPARTMENT OF VETERANS AFFAIRS

ITEM 247 of the Budget Bill

Budget page 624

FOR SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS  
FROM THE GENERAL FUND

Amount requested .....	\$583,126
Estimated to be expended in 1959-60 fiscal year .....	411,261
Increase (41.8 percent) .....	\$171,865

TOTAL RECOMMENDED REDUCTION .....	None
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## ANALYSIS

The Department of Veterans Affairs is composed of five sections which are the Divisions of Administration, Farm and Home Purchases, Educational Assistance, Service and Co-ordination, and Veterans Homes. All of the divisions receive their support from the General Fund with the exception of the Division of Farm and Home Purchases which is self-supported from interest payments made by veteran borrowers. The overall administration of the four General Fund supported divisions is provided by this item in addition to support of the State Veterans' Board.

It will be noted that \$583,126 is requested for the 1960-61 fiscal year, while \$411,261 is anticipated to be expended in the current fiscal year. This is an increase of \$171,865, or 41.78 percent. A major change in the departments' budget is the request for \$218,220 for its claims and rights service which is required to provide for its first full year of operation within the department's Service and Co-ordination Division. We should point out that this is in lieu of the \$596,700 provided annually prior to the current year and which was expended by veteran's organizations under a contract arrangement. The current year's estimate of expenditures covers only six months of operation which is commencing