

## LOCAL ASSISTANCE

## Education

## CHILD CARE CENTERS

ITEM 359 of the Budget Bill

Budget page 950

FOR SUPPORT OF CHILD CARE CENTERS  
FROM THE GENERAL FUND

Amount requested .....	\$5,751,455
Estimated to be expended in 1959-60 fiscal year .....	4,751,912
Increase (21.0 percent) .....	\$999,543

TOTAL RECOMMENDED REDUCTION..... None

## ANALYSIS

Child care centers have been established to provide state subsidized care and supervision for the children of certain parents legally defined as eligible on the basis of need. Section 16618 of the Education Code provides that about 26 cents per attendance hour per child be provided by the State toward support. Fees paid by the parents shall approximate the equivalent of 13 cents per hour. The department administratively establishes the fee schedules paid by parents. They are scheduled to reduce these fees since they are currently producing more than the 13 cents required by law as the parental contribution.

Section 16622 provides that the Superintendent of Public Instruction shall withhold or add to the excess or deficiency of apportioned funds at the next or any succeeding fiscal year if the current funds provided are not sufficient.

Chapter 2096, Statutes of 1959, added a new "experimental" program for child care for physically handicapped and mentally retarded children.

The following amounts are budgeted for 1960-61:

Deficiency .....	\$411,917
Regular program .....	5,292,925
Handicapped .....	46,613
Total .....	\$5,751,455

This total appropriation is almost one million dollars more than last year's appropriation. More children for more hours are being cared for. The budget showed 18,202,673 hours for last year, 19,860,882 estimated hours for the current year and 20,536,685 for the budget year.

This program was made permanent at the 1957 General Session of the Legislature. In our 1959-60 analysis of the budget bill we recommended the Legislature could consider three alternatives in determining the future of this program:

1. Discontinue state support.
2. Require equal support from local school districts, parental fees and the State.
3. Request statewide standards for better control if state support is to continue at approximately 60 percent.

*With these reservations we recommend approval of the item as budgeted.*

## STATE TEACHERS RETIREMENT SYSTEM

ITEM 360 of the Budget Bill

Budget page 955

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

Amount requested .....	\$38,700,000
Appropriated from General Fund 1959-60 fiscal year .....	40,254,000
Decrease (3.9 percent) .....	\$1,554,000

TOTAL RECOMMENDED REDUCTION..... None

## ANALYSIS

This appropriation request is for funds to pay the State's obligation to retired teachers and their survivors. This consists of retirement allowances, death benefits, and survivor benefits. It also includes payments to local retirement systems on behalf of their retired members in the same amount that the State would pay directly, were these retired members on its own rolls.

The request is for funds actually to be expended in the budget year for services performed over past years, except as noted below. In this respect it differs from the State Employees' Retirement Fund, whose appropriation is for funds to be paid as retirement allowances in future years for services performed during the budget year.

A surplus of \$540,000 from the 1959-1960 appropriation is now anticipated. When added to the \$38,700,000 requested it will make available from the State for allowances and benefits a total of \$39,240,000.

## 1960-1961 FISCAL YEAR

<i>Sources of revenue</i>		<i>Estimated expenditures</i>	
Transfer from General Fund	\$38,700,000	Retirement allowances	---- \$66,112,000
Surplus from 1959 appropriation .....	540,000	Death benefits .....	1,900,000
Transfer from unrestricted reserve .....	250,000	Survivor benefits .....	250,000
School district contributions	24,850,000	Subvention to local retirement systems .....	1,809,000
Member contributions (with-drawn from accumulated contributions) .....	5,731,000		
Total .....	\$70,071,000	Total .....	\$70,071,000

It should be noted that survivor benefits became effective on January 1, 1960. With no previous experience among members of the Teachers' Retirement System, this estimate may be subject to major revision.

The amount of member contributions is small in relation to the total estimated expenditures. This is because members now retired had made relatively small contributions prior to 1956, whereas in that year retirement allowances were materially increased. Likewise, salary levels, on which allowances are based, have risen since the original contributions were made. The difference was of necessity absorbed by the State and the school districts.

*We recommend approval of the budget item as submitted.*

## FREE TEXTBOOKS

ITEM 361 of the Budget Bill

Budget page 956

## FOR SUPPORT OF FREE TEXTBOOKS FROM THE GENERAL FUND

Amount requested	\$12,362,065
Estimated to be expended in 1959-60 fiscal year	10,002,494
Increase (23.6 percent)	\$2,359,571

TOTAL RECOMMENDED REDUCTION-----No recommendation at this time

## ANALYSIS

This program provides free textbooks to elementary public school pupils. The books are authorized by the State Board of Education upon the recommendation of the State Curriculum Commission. The authorizations include titles, distribution ratios, etc. The Bureau of Textbooks and Publications, Division of Public School Administration, has the responsibility to maintain supply and to distribute to the local schools. The State Printing Plant prints most of the adopted textbooks.

Last year the Legislature reduced this item by \$378,200. At the time the item was considered by the Legislature the preliminary estimates contained in the budget had been revised downward. In addition to the reduction, language was added to the budget bill directing the Department of Finance to establish procedures to "unallot" printing savings resulting from actual charges and to "reallot" additional costs. The budget bill also directed the Department of Finance to report all such actions to the Joint Legislative Budget Committee prior to January 1, 1960. The Department of Finance report shows a total of \$201,141 which was placed in unallotted balances due to re-estimates of the costs of printing for the first six months of 1959-60, and itemizes the reallotment of this amount to printing and royalties for specific series where additional copies were required.

The procedure adopted by the Department of Finance regarding textbooks is as follows:

1. Agency presents preliminary estimates for budget hearings by Department of Finance (September).

2. Prior to December 15, the schedules are revised for latest information. These amounts are for the Governor's Budget.

3. Upon adoption, but not prior to March, the printing estimates will be prepared. Any budget adjustments will be requested of the Legislature by the Department of Finance.

4. After enactment of the Budget Bill, all changes in number, cost or title will be forwarded to the Department of Finance for appropriate adjustment.

The problems of budgeting for free textbooks have been greatly relieved by the revisions made in the adoptions procedure which moved the State Board of Education's adoption function backward from March to January. Prior to this time, the final data on adoptions, number of series, titles, distribution ratios, quantities, etc., was not known until the middle of a legislative session. Under the new procedure, board approval will be secured in January and the State Curriculum Commission recommendations will be made in November so that the

## Free Textbooks—Continued

Department of Finance can present more exact budget estimates to the Legislature. This has moved the call for bids backward from September to the preceding May. This revision has been approved by the State Board of Education and will apply to future adoptions. However, it will not apply to the current "Reading" adoption. In this instance, the recommendations of the State Curriculum Commission were not made until mid-December 1959 and final action of the State Board of Education will not be made until March 1960.

These changes in budgeting procedure and adoption procedure will result in better timing and in more adequate controls in the budgeting of this item in the future.

The 1960-61 budget proposes a 23.6 percent increase principally due to the adoption of a new reader series. Normally a two-year supply is printed because of net economies. However, only a one-year supply is proposed for the new series because the State Printing Plant has insufficient capacity for this many books.

The principal items in this budget are for printing (\$9.6 million) and royalties (\$2.5 million). Royalties are paid when books are distributed. The budget shows the new adoption, reprint and royalty detail on copies and cost.

*Our recommendation on the textbook item is withheld pending State Board of Education approval of the current adoption in March 1960.*

## DEPARTMENT OF MENTAL HYGIENE

ITEM 362 of the Budget Bill

Budget page 958

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

Amount requested .....	\$2,844,775
Estimated to be expended in 1959-60 fiscal year .....	1,881,300
Increase (51.2 percent) .....	\$963,475
<b>TOTAL RECOMMENDED REDUCTION .....</b>	<b>\$344,775</b>

## Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Reduce appropriation .....	\$344,775	958	59

## ANALYSIS

This is commonly known as the Short-Doyle program and provides that the State and local communities each provide one-half the support costs for any two or more of five different psychiatric services to the community. These consist of inpatient, outpatient, rehabilitation, education and consultation.

There were 12 locally sponsored and state locally supported programs in effect by the end of the 1958-59 fiscal year. Since that time, the large Los Angeles County psychiatric program has been added and about two-thirds of the state population is now covered to varying extent.

## Department of Mental Hygiene—Continued

The Department of Mental Hygiene which provides the State's administration for this program anticipates that possibly 15 additional local jurisdictions may desire to set up programs in 1960-61.

*We recommend that in view of the consistent practice of the agency to overbudget for this program that the amount requested be reduced by \$344,775 and a total of \$2,500,000 be authorized for the 1960-61 fiscal year.*

The Short-Doyle program has apparently been developing much more slowly than anticipated by the Department of Mental Hygiene. Requests for and appropriations of funds have been greatly in excess of actual requirements every year since the program was initiated in 1957-58. This overbudgeting is detailed in the following table:

	1957-58	1958-59	1959-60	1960-61
Department request .....	\$786,000	\$1,900,000	\$3,024,700	\$2,844,775
Amount budgeted .....	786,000	1,600,000	2,485,190	
Total expended .....	37,083	510,762	1,881,300 *	
Difference between department request and total expended.....	\$748,917	\$1,389,238	\$1,143,400	

\* Estimated.

A reduction in the amount requested of \$344,775 and authorizing \$2,500,000 for this program would seem much more in line with growth trends in the program. This would provide an increase of \$618,700 or 32.9 percent above the \$1,881,300 estimated to be expended for 1959-60.

The increased expenditure estimated for the 1959-60 fiscal year (\$1,881,300) as compared to the 1958-59 fiscal year (\$510,762) was considerably affected by the admission of Los Angeles County at the beginning of the 1959-60 fiscal year. In effect, the State began providing one-half the support for a program in operation which was previously supported fully by Los Angeles County and for which the total reimbursable budget is estimated at \$1,059,774 for 1959-60.

The department anticipates the addition of 15 new programs in 1960-61 as compared to only 13 now in effect after approximately three years of Short-Doyle operation. If these 15 anticipated programs were all to be initiated during 1960-61, which is doubtful, none of them would be comparable in size to the Los Angeles program and most of them would have to be started and developed from the initial planning stage. Whereas Los Angeles had an actively operating county program for which the State has assumed one-half the support costs, considerable time would thus be involved before support costs would become sizeable in most of these 15 new jurisdictions.

It thus appears that the department's request should be reconsidered and that a reduction of \$344,775 in the amount requested would still provide ample funds for the program in 1960-61.

## Program Considerations

We have pointed out several areas of weakness in the Short-Doyle program as it is presently operated, in a recent Survey of Local Community Mental Health Programs, dated December 4, 1959. This report

## Department of Mental Hygiene—Continued

is cited for detailed explanation and recommendations relative to the three areas of weakness in the program as outlined below.

It is difficult for the Department of Mental Hygiene to prepare state budgets for the Short-Doyle program with accuracy for coming fiscal years because of the failure on the part of a number of local jurisdictions to file claims for state reimbursement until long periods of time after each fiscal year has ended. This practice ties up large sums of state money unnecessarily and makes it much more difficult to determine the operational status and fiscal trends. *We recommend, in order to correct this situation, that a definite limitation or time period in which all claims are to be filed in order to obtain reimbursement be incorporated into the yearly contract entered into between the Department of Mental Hygiene and each local jurisdiction.* A period ending 90 days after the close of the fiscal year would seem to be reasonable for this purpose.

Another weakness in the Short-Doyle program is the lack of fiscal protection to the State on state-share costs for services, especially the expensive inpatient services which are probably costing the State more per patient at one-half the state-share costs than state hospital care at full state expense.

This is illustrated in the maximum fee limits (as of June 30, 1959) per day for the following local programs for inpatient services.

	Maximum fee limits per day	Approximate state share of cost per day
San Francisco -----	\$35.85	\$17.92
Contra Costa -----	26.92	13.46
San Joaquin -----	22.71	11.36
Monterey -----	22.33	11.17
(Average) -----		\$13.47

Full support costs were estimated at about \$6.46 per day at Stockton State Hospital for 1959-60. This is higher than at the other hospitals for the mentally ill. However, it is less than one-half the composite average of the State's share in the four localities listed above.

Most states having similar community programs limit the state responsibility by prescribing a ceiling based on per capita of population in each local jurisdiction. This is a state share of \$1 per capita of population in each jurisdiction in New York as the maximum amount in funds to be supplied by that state.

*We recommend a similar \$1 per capita of population limitation be amended into the act for California in order to protect the State against possible very excessive charges in the future.* Several programs are already approaching such a proposed ceiling in costs.

The department indicated early in their support for the Short-Doyle program when it was under consideration that inpatient costs would be limited to a ceiling of 25 percent of total costs. This control has never been placed in effect with the result that inpatient costs are now over 50 percent of the total in several jurisdictions and even over 80 percent of total costs for Los Angeles.

## Department of Mental Hygiene—Continued

*We recommend that such a 25 percent limitation on inpatient costs be amended into the act and that the Legislature also consider providing similar limitations at appropriate levels for each of the other four services.*

A third area of deficiency in the Short-Doyle program is in relation to the setting of reimbursement fees. No standardized approach was prescribed in the act and considerable differences in method are becoming apparent in the individual programs. Some are much more successful than others and collect several times more in fees on a per patient basis than others. The State, in effect, is subsidizing the inefficient programs in relation to those which are operating more efficiently in this procedure. This results in an unnecessary loss of revenue to the State and to the local programs.

*We recommend that the Legislature consider amending the Short-Doyle Act to provide that a uniform and consistent system based on a table of charges relative to income be utilized in setting reimbursement charges.*

## Department of Public Health

## ASSISTANCE TO LOCAL HEALTH DEPARTMENTS

ITEM 363 of the Budget Bill

Budget page 959

FOR ASSISTANCE TO LOCAL HEALTH DEPARTMENTS  
FROM THE GENERAL FUND

Amount requested .....	\$3,869,045
Estimated to be expended in 1959-60 fiscal year.....	3,771,970
Increase (2.6 percent) .....	\$97,075

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

State and federal funds are allocated to qualified health departments on a population basis to provide local public health services. The funds are subvended to departments which meet minimum standards established by the State Board of Public Health and are distributed in accordance with the formula set forth in Section 1141 of the Health and Safety Code.

An amount of \$3,869,045 is requested to provide the same per capita distribution as the current year, 20.735401 cents. This amount is \$97,075, or 2.6 percent, more than the \$3,771,970 that is estimated to be expended during the current year and is based on an estimated population of 15,830,000 as of July 1, 1960.

*We recommend approval of the item as budgeted.*

In addition to the amount appropriated from the General Fund by this item, an estimated \$1,079,561 in federal funds will be distributed to local health departments in the same ratio as state funds.

Last year in our Analysis of the Budget Bill, we recommended a complete evaluation of the basis upon which this subvention is distributed by the State Department of Public Health. The Senate Finance

Department of Public Health—Assistance to Local Health  
Departments—Continued

Committee adopted this recommendation and directed that a committee be formed with representatives of the State Department of Public Health, the Department of Finance, the Local Health Officers Conference, County Supervisors Association, League of California Cities, the Legislative Analyst, and any other groups that might have a direct interest in the manner of distributing this subvention.

As of now, there has been no meeting of this committee. Although the Department of Public Health is gathering data concerning this problem, it would appear that this committee should be called together by the department as soon as possible so that a report can be forthcoming to the 1961 Session of the Legislature.

**ASSISTANCE TO COUNTIES WITHOUT LOCAL HEALTH DEPARTMENTS**

ITEM 364 of the Budget Bill

Budget page 959

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

Amount requested .....	\$287,090
Estimated to be expended in 1959-60 fiscal year .....	201,416
Increase (42.5 percent) .....	\$85,674
<b>TOTAL RECOMMENDED REDUCTION .....</b>	<b>\$12,720</b>

**Summary of Recommended Reductions**

	Amount	Budget Page	Line
1 Supervisor of sanitation .....	\$6,360	959	73
1 Public health nursing supervisor .....	6,360	959	74

**ANALYSIS**

*We recommend a reduction of \$12,720 for one supervisor of sanitation and one public health nursing supervisor requested to provide better supervision of field personnel.*

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 which contribute a minimum of 55 cents per capita. This program now includes Alpine, Amador, Calaveras, El Dorado, Mariposa, Modoc, Mono, Nevada, Sierra, and Trinity Counties.

The budget proposes \$287,090 for the operation of this function for the coming fiscal year. This is an increase of \$85,674 or 42.5 percent over that which is estimated to be expended during the current year.

The large increase in this item is due to the following reasons:

1. Five positions and related expenses previously included in the departmental support budget are now shown under this item in order to give a better indication of the cost of this program.

2. Four positions are requested to service Tuolumne County, which will enter the program on July 1, 1960. Two sanitarians and two public health nurses are requested to handle the anticipated workload. *We recommend approval of these four positions requested on a workload basis.*



## Assistance to Counties Without Local Health Departments—Continued

3. Two positions, a supervisor of sanitation and a public health nursing supervisor are requested to increase the level of supervision of sanitarians and nurses in the 11 contract counties. *We recommend the deletion of these two positions at a savings of \$12,720.*

If the four positions are approved for Tuolumne County, the Bureau of Contract Services will have 13 nurse positions and 15 sanitarian positions located throughout 11 counties. There is presently a supervisor of sanitation and a public health nursing supervisor in this program. The proposed supervisory positions are requested to assist the existing positions. The department states that in addition to supervising the persons in the field the supervisors act as directors of nursing and sanitation for the counties under contract.

Rather than increase the level of supervision, we recommend that the department review the entire operation of this program and make adjustments within the existing staff. In the justification presented for this request, the department has stated that the supervisor of sanitation spent 120 days on travel and 88 days in actual supervisory visits during the past year. This supervisor was required to travel 40,000 miles. It would appear that the travel schedule could be evaluated with the possibility of locating the supervisors in the general area of greatest concentration of counties rather than in Berkeley.

## TUBERCULOSIS SANITORIA

ITEM 365 of the Budget Bill

Budget page 960

FOR ASSISTANCE TO COUNTIES FOR TUBERCULOSIS  
SANITORIA FROM THE GENERAL FUND

Amount requested .....	\$4,763,890
Estimated to be expended in 1959-60 fiscal year .....	4,564,060
Increase (4.4 percent) .....	\$199,830

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

Division 4 of the Health and Safety Code 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 Section 3300 of the code which provides for a graduated subsidy rate 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 further 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 have been additional amounts added in the Budget Act each year since 1954.

An amount of \$4,763,890 is being requested for the budget year. This is an increase of \$199,830, or 4.4 percent above the \$4,564,060 estimated to be expended during the current year. The requested appropriation is based upon the graduated rate in the Health and Safety Code plus

## Tuberculosis Sanatoria—Continued

an additional \$1.76 per patient day of care for each category. The additional \$1.76 is \$0.29 above the \$1.47 approved by the Legislature in the 1959 Budget Act.

During the 1959 General Session proposed legislation concerning pay patients was amended by the Legislature to reduce the state share of these receipts below that proposed in the Governor's Budget. Due to this and the fact that the rate of decrease of patient days of care has not been as high as anticipated, the budget proposes a deficiency for the current year of \$612,700.

*We recommend approval of the item as budgeted.*

## CRIPPLED CHILDREN SERVICES

ITEM 366 of the Budget Bill

Budget page 961

FOR ASSISTANCE TO COUNTIES FOR CRIPPLED CHILDREN  
SERVICES FROM THE GENERAL FUND

Amount requested .....	\$5,950,000
Estimated to be expended in 1959-60 fiscal year .....	5,204,060

Increase (14.3 percent) .....	\$745,940
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TOTAL RECOMMENDED REDUCTION .....	None
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## ANALYSIS

This item provides funds for a state program for handicapped children, as authorized by Sections 249 through 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. Also, 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.

An amount of \$5,950,000 is requested from the General Fund for this item. This represents an increase of \$745,940, or 14.3 percent, over the \$5,204,060 estimated to be expended during the current year. The funds are distributed by a formula in the Budget Act.

A breakdown of the \$5,950,000 is as follows:

Treatment .....	\$4,143,000
Administrative allowance .....	357,000
Diagnosis .....	1,400,000
Noncounty resident care .....	50,000
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	\$5,950,000

*We recommend approval of this item as budgeted.*

## CRIPPLED CHILDREN SERVICES

ITEM 367 of the Budget Bill

Budget page 962

## FOR ASSISTANCE TO LOCAL AGENCIES FOR TREATMENT OF CEREBRAL PALSID CHILDREN FROM THE GENERAL FUND

Amount requested .....	\$1,402,500
Estimated to be expended in 1959-60 fiscal year .....	1,233,670

Increase (13.7 percent) .....	\$168,830
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TOTAL RECOMMENDED REDUCTION .....	None
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## Crippled Children Services—Continued

## ANALYSIS

The 13.7 percent increase in the state subvention for the treatment of cerebral palsied children is requested to permit the Department of Public Health to employ an additional 52 therapists in the budget year. It is not anticipated that all 52 of these therapists will be hired for the full year. This substantial increase to a total of 242 therapists is justified by the greater number of organized cerebral palsy therapy classes in local school districts during the current year and in 1960-61. *We recommend approval of the amount budgeted.*

## MOSQUITO CONTROL

ITEM 368 of the Budget Bill

Budget page 962

## ASSISTANCE TO LOCAL AGENCIES FOR MOSQUITO CONTROL, FROM THE GENERAL FUND

Amount requested .....	\$190,315
Estimated to be expended in 1959-60 fiscal year.....	191,000
Decrease (0.04 percent).....	\$685
<b>TOTAL RECOMMENDED REDUCTION.....</b>	<b>\$8,910</b>

## Summary of Recommended Reductions

Budget

	Amount	Page	Line
2 Junior vector control specialists.....	\$8,910	962	63

## ANALYSIS

The Department of Public Health is authorized by provisions within Chapter 5, Division 3, of the Health and Safety Code to conduct certain activities in the field of mosquito control. These activities include the making of contractual agreements with local abatement districts for the reporting of mosquito incidence and the conduct of research by a departmental field staff to develop better methods of mosquito control. The Legislature in making annual appropriations for this program has specified that at least \$25,000 should be devoted to research.

A total subvention appropriation of \$190,315 is requested for 1960-61 for assistance to local agencies for mosquito control. Of this total, \$101,000 is for direct subvention to districts for the reporting of mosquito incidence; \$89,315 is for departmentally conducted research. Establishment of two new vector control specialist positions with salaries totaling \$8,910 is a part of this budget request.

*We recommend that \$8,910 for the two new positions be deleted from the proposed budget.*

The mosquito control research activities supported by subvention funds remained at about the same program level each year during the period from 1946 to 1958. Between \$25,000 and \$45,000 of each year's total subvention appropriation for assistance to local agencies for mosquito control was used for department research. For the current year, however, the amount of subvention funds being expended for research has increased considerably and is estimated at \$90,000. In addition, five positions in the Bureau of Vector Control are presently assigned on

## Mosquito Control—Continued

a full-time basis to the same research program. The annual salaries for these positions are provided through support budget appropriations estimated at more than \$40,000. Altogether, then, the department is carrying on mosquito control research that costs the State more than \$130,000.

The \$90,000 of subvention funds devoted to research during 1959-60 is an increase of \$46,000 over the actual expenditure of \$44,000 in 1958-59. This additional amount was not specifically appropriated by the Legislature for research. The decision to place more money in research activities and to subvene less money directly to local districts was an administrative decision within the Department of Public Health and the Department of Finance after consultation with local abatement districts. No legislative review was made concerning the desirability of expanding research by \$46,000, much less the desirability of spending the additional funds for four new research positions, for new equipment, for special maintenance and repairs or for more than a 100 percent increase in travel expenses. Yet substantial fund increases for all of these categories were made in 1959-60 as is shown in the budget, page 962, lines 69-76.

This year, for the first time, a detailed description of the mosquito control research program, the source of funds to support it, the objectives, and the personnel assigned to each research project have been provided by the Department of Public Health. We have carefully reviewed this material and feel that the existing research services are of considerable benefit to the State and are an appropriate function of the Department of Public Health. However, we do not believe that two additional research positions are needed. The program is already staffed with 15 full-time vector control specialists, four of them added in the current year. This large staff should provide sufficient flexibility of assignment so that any new high priority research projects can be undertaken.

In order to give the Legislature a clearer presentation of the actual costs of the mosquito control research program, we recommend that in the future all positions assigned to the research program be listed within the salaries and wages section under the budget subvention item, Assistance to Local Agencies for Mosquito Control. Mosquito research positions now shown within the support budget under Bureau of Vector Control, Division of Environmental Sanitation, should be placed in the local subvention section of the printed budget.

## ASSISTANCE TO LOCAL AGENCIES FOR GNAT CONTROL

ITEM 369 of the Budget Bill

Budget page 963

FOR ASSISTANCE TO LOCAL AGENCIES FOR GNAT CONTROL  
FROM THE GENERAL FUND

Amount requested .....	\$20,000
Estimated to be expended in 1959-60 fiscal year .....	20,000
Increase .....	None
<b>TOTAL RECOMMENDED REDUCTION .....</b>	<b>\$20,000</b>

**Items 370-372****Local Assistance****Assistance to Local Agencies for Gnat Control—Continued****ANALYSIS**

A subvention to assist local agencies in gnat control has been an appropriation added to the budget bill by the Legislature the last two years. This state support is permitted by Section 2426 of the Health and Safety Code.

*We recommend the deletion of the \$20,000 subsidy requested.*

We feel that all local district gnat control operations can be financed from the 40-cent maximum tax rate permitted by Section 2302.1 of the Health and Safety Code. Expenditure of state funds for this program, which we believe is a responsibility of local agencies, is, therefore, not recommended.

**HOSPITAL CONSTRUCTION****ITEM 370 of the Budget Bill****Budget page 963****FOR ASSISTANCE TO LOCAL AND NONPROFIT AGENCIES FOR  
HOSPITAL CONSTRUCTION FROM THE GENERAL FUND**

Amount requested .....	\$7,655,470
Estimated to be expended in 1959-60 fiscal year .....	10,687,044
Decrease (28.4 percent) .....	\$3,031,574

**TOTAL RECOMMENDED REDUCTION**..... **None**

**ANALYSIS**

A federal hospital construction program (Hill-Burton and Wolverton Acts) whereby the state and the federal government contribute funds on a matching basis has been operating for a number of years. Section 435.6 of the Health and Safety 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 from the federal government under the federal pact, but in no event, shall the amount of state funds exceed one-third of the cost of the construction.

An appropriation of \$7,655,470 is requested for the budget year to match the anticipated federal funds. *We recommend approval of this item as budgeted.*

**Department of Water Resources****FLOOD CONTROL****ITEMS 371 and 372 of the Budget Bill****Budget page 966****FOR SUBVENTION FOR FLOOD CONTROL FROM THE  
GENERAL FUND**

Amount requested .....	\$10,355,000
Appropriated in 1959-60 fiscal year .....	9,490,300
Increase (9.1 percent) .....	\$864,700

**TOTAL RECOMMENDED REDUCTION**..... **None**

## Department of Water Resources—Flood Control—Continued

## ANALYSIS

Chapter 1285, Statutes of 1959, abolished the Flood Control Fund of 1946 and re-established all of its operations as appropriations from the General Fund. This change has resulted in releasing several millions of dollars which were idle in the Flood Control Fund while awaiting payment of claims from local agencies for lands, easements and rights-of-way on federal flood control work.

The Department of Water Resources which administers the funds has permitted an extensive backlog of unpaid claims to accumulate. These unpaid claims mean that the approximately \$10 million in appropriations is carried over from year to year. Most of this carryover represents obligations against the State and cannot be eliminated by reversion. *We recommend once again that the department make a renewed effort to simplify and expedite its processing of these claims in order to reduce the backlog. Because the funds the department requests are for co-operation for federal flood control and watershed protection projects, we recommend approval of the request.*

**Reclamation Board  
FLOOD CONTROL**

ITEM 373 of the Budget Bill

Budget page 966

**FOR SUPPORT OF THE RECLAMATION BOARD TO PAY THE COSTS OF  
LOCAL CO-OPERATION IN FEDERAL FLOOD CONTROL PROJECTS IN  
THE CENTRAL VALLEY FROM THE GENERAL FUND**

Amount requested .....	\$3,610,000
Appropriated in 1959-60 fiscal year .....	6,000,000
	\$2,390,000

**TOTAL RECOMMENDED REDUCTIONS** ..... None

## ANALYSIS

This item includes \$1,550,000 for costs of lands, easements and rights-of-way for federal flood control work on the Sacramento River and its tributaries, and \$10,000 for the Calaveras River and Littlejohn Creek and tributaries. The remaining \$2,050,000 is for the San Joaquin River Flood Control Project, the upper portion of which the State is constructing.

*Approval is recommended.*

**Department of Water Resources  
BEACH EROSION CONTROL**

ITEM 374 of the Budget Bill

Budget page 970

**FOR SUBVENTIONS FOR BEACH EROSION CONTROL FROM THE  
CALIFORNIA WATER FUND**

Amount requested .....	\$1,106,500
Appropriated in 1959-60 fiscal year .....	42,000
	\$1,064,500

**TOTAL RECOMMENDED REDUCTION** ..... None

**Item 375****Local Assistance****Department of Water Resources—Beach Erosion Control—Continued**

This item finances the State's share of beach erosion control work and pursuant to state and federal law, advances the federal share which will subsequently be repaid to the State. The projects this year and the State's share (exclusive of advances) are:

City of Santa Cruz (new project) -----	\$47,000
Ventura County (new project) -----	\$343,000
City of Oceanside (new project) -----	\$282,000
Imperial Beach (continuing project) -----	\$58,500

The above expenditures are the State's share of the project costs, the remainder of which have been committed by local agencies and the U.S. Corps of Engineers. Although there is a substantial increase in the request for next year, the shared nature of the costs leaves the State with little choice but to appropriate the funds requested. *Approval is recommended.*

**Social Welfare****COUNTY INSPECTION OF HOMES AND AGENCIES CARING FOR  
AGED AND CHILDREN**

ITEM 375 of the Budget Bill

Budget page 988

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

Amount requested -----	\$1,278,720
Estimated to be expended in 1959-60 fiscal year -----	1,228,752
Increase (4.1 percent) -----	\$49,968
<b>TOTAL RECOMMENDED REDUCTION -----</b>	<b>\$49,968</b>

**ANALYSIS**

This item provides for reimbursement of county administrative expense for licensing of boarding homes and nurseries. Sections 1622 and 2302 of the Welfare and Institutions Code provide for delegating the licensing function to counties and for reimbursement for full costs up to a limit of \$65 per new or renewal license issued.

Historically, payment of claims for reimbursement to the counties has been based upon full reimbursement for costs of administration within the limits of the amount specified per license in each county. Standards for "the amount found necessary by the State Department of Social Welfare for proper and efficient administration," as provided in Section 1622, have not been established nor administered by the department.

When this item was considered by the Legislature last year, the department was given direction to establish standards for proper and efficient administration of this program. The department was directed to prepare a report on this matter and submit it to the 1960 session of the Legislature. The department is in the process of preparing this and may have a partial report ready during the Budget Session. Until the whole report is completed and the department proposes ways of implementing it, we cannot recommend any increase in this item over what is estimated to be expended during the current year.

*Consequently, we recommend a reduction of \$49,968 in this item.*

**COUNTY ADOPTIONS PROGRAM**

ITEM 376 of the Budget Bill

Budget page 989

**FOR REIMBURSEMENT TO COUNTIES FOR ADMINISTRATION AND COST OF CARE OF ADOPTIONS FROM THE GENERAL FUND**

Amount requested	\$2,642,176
Estimated to be expended in 1959-60 fiscal year	2,173,715
Increase (21.6 percent)	\$468,461

<b>TOTAL RECOMMENDED REDUCTION</b>	None
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**ANALYSIS**

The State Department of Social Welfare has the authority 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; and (2) independent adoptions. The program is supervised and controlled by the State Department of Social Welfare.

Increases result from budgeting for estimated cost increases and for three new counties for relinquishment adoptions. If the cost increases for relinquishment adoptions (e.g., county salary increases) do not materialize or if any of the three counties do not become licensed for adoptions, the funds will not be spent. The state department budgets each county based on staffing yardsticks and other accepted criteria.

*We recommend approval of the item as budgeted.*

**SUBVENTIONS FOR OTHER PURPOSES  
SALARIES OF SUPERIOR COURT JUDGES**

ITEM 377 of the Budget Bill

Budget page 992

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

Amount requested	\$3,280,875
Estimated to be expended in 1959-60 fiscal year	2,860,870
Increase (14.7 percent)	\$420,005

<b>TOTAL RECOMMENDED REDUCTION</b>	None
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**ANALYSIS**

The annual salary of each superior court judge is a joint charge to the county and the State. The counties' contributions for each judgeship have been fixed since 1955, the amount for any county being determined by three population classes. The 1959 Legislature raised the salaries of superior court judges without any adjustment in the counties' share. Hence the substantial increase in the State's contribution. Thirty-two new judgeships were also created.

These two factors serve to explain the 14.7 percent increase in the budget item covering superior court judges' salaries.

*Approval of this budget item is recommended.*



**Department of Veterans Affairs  
COUNTY VETERANS SERVICE OFFICERS**

ITEM 378 of the Budget Bill

Budget page 992

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

Amount requested .....	\$350,000
Estimated to be expended in 1959-60 fiscal year .....	350,000

Increase .....	None
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**ANALYSIS**

This appropriation provides for the State's reimbursement to the counties for a portion of the cost of rendering county veterans' services.

The appropriation requested would assure the same level of service as was appropriated for in the current fiscal year. *We recommend approval of the item as budgeted.*

**Department of Agriculture  
COUNTY AGRICULTURAL COMMISSIONERS**

ITEM 379 of the Budget Bill

Budget page 993

**FOR SALARIES OF COUNTY AGRICULTURAL COMMISSIONERS OR COM-  
PENSATION FOR SERVICES PERFORMED FOR COUNTY AGRICUL-  
TURAL DEPARTMENTS, DEPARTMENT OF AGRICULTURE, FROM  
THE GENERAL FUND**

Amount requested .....	\$176,100
Estimated to be expended in 1959-60 fiscal year .....	161,844

Increase (8.8 percent) .....	\$14,256
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<b>TOTAL RECOMMENDED REDUCTION .....</b>	<b>None</b>
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**ANALYSIS**

This item provides for the payment of not more than two-thirds of the county agricultural commissioners salary, or \$3,300, whichever is the lesser. This is in compliance with Section 63.5 of the Agricultural Code. It should be pointed out that the State's participation in this program is based on securing more uniform enforcement of the Agricultural Code on a statewide basis.

The increase in the year under consideration over the 1959-60 fiscal year and in turn the 1959-60 year over the 1958-59 fiscal year is brought about by Chapter 1686 of the Statutes of 1959 which increased the State's contribution to the counties from a maximum of \$3,000 to \$3,300 per year.

*We recommend approval of the item as budgeted.*

**State Disaster Office  
WORKMEN'S COMPENSATION FOR CIVIL DEFENSE WORKERS**

ITEM 380 of the Budget Bill

Budget page 993

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

Amount requested .....	\$50,000
Estimated to be expended in 1959-60 fiscal year .....	40,000

Increase (25 percent) .....	\$10,000
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<b>TOTAL RECOMMENDED REDUCTION .....</b>	<b>None</b>
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State Disaster Office—Workmen's Compensation for Civil Defense  
Workers—Continued

## ANALYSIS

This item provides for the cost of Workmen's Compensation Insurance to cover volunteer civil defense workers who might be injured in the course of their services to the civil defense and disaster effort of the State. In the current fiscal year the cost is estimated to reach \$40,000. It has been rising steadily for the past several years, having been approximately \$25,000 in the 1958-59 fiscal year. *Consequently, we recommend approval of the item as submitted.*

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

ITEM 381 of the Budget Bill

Budget page 993

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

Amount requested .....	\$2,744,000
Estimated to be expended in 1959-60 fiscal year .....	2,095,584
Increase (30.9 percent) .....	\$648,416

TOTAL RECOMMENDED REDUCTION..... None

## ANALYSIS

The present law provides that the State shall reimburse counties for one-half 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.

The department estimates a total of 47 camps in operation at the end of 1960-61 fiscal year.

*We recommend approval of the amount requested.*

The following table reflects the budget requests submitted by the agency for this program in prior years, with the re-estimate the following year and the actual expenditure as related to the original budget request.

## Comparison of Budget Request With Actual Expenditure

Budget year	Budget request authorized	Re-estimate following year	Actual expenditure	Increase or decrease	Percent
1954-55	\$971,000	\$936,480	\$863,467	—\$107,533	—11.0
1955-56	1,346,000	951,740	897,167	—448,833	—33.3
1956-57	1,243,000	1,126,000	1,172,015	—70,985	—5.7
1957-58	1,636,000	1,566,000	1,427,540	—208,460	—12.7
1958-59	2,080,000	1,801,650	1,560,579	—519,421	—24.9
1959-60	2,490,960	2,095,584	—	—	—
1960-61	2,744,000	—	—	—	—

The amount budgeted for this program for each of the five years from 1954-55 through 1957-58 was in excess of actual expenditures. The excess dollar amounts on an annual basis ranged from a high of \$519,421 in 1958-59 to a low of \$70,985 in 1956-57.

We believe the agency should obtain more accurate estimates of county camp populations to reduce the surplus which has been allocated to this program in prior years.

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

ITEM 382 of the Budget Bill

Budget page 994

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

Amount requested .....	\$1,122,759
Estimated to be expended in 1959-60 fiscal year .....	2,111,913
Decrease (88.1 percent) .....	\$989,154

**TOTAL RECOMMENDED REDUCTION**..... 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 including related site development and utilities.

The total requested appropriation for 1960-61 of \$1,122,759 is proposed for a two-year period of availability, through the 1961-62 fiscal year.

The amount scheduled for expenditure in 1960-61 is \$1,616,000 which represents \$947,242 of prior year appropriations and \$668,759 of the amount requested for 1960-61.

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.

Under this program, the department estimates 1,670 beds will have been added to county facilities when the 1960-61 appropriation has been expended.

*We recommend approval of the amount requested.*

**DEPARTMENT OF EMPLOYMENT**

ITEM 383 of the Budget Bill

Budget page 1054

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

Amount requested .....	\$5,593,510
Estimated to be expended in 1959-60 fiscal year .....	5,268,917
Increase (6.2 percent) .....	\$324,593

**TOTAL RECOMMENDED REDUCTION**..... None

**ANALYSIS**

This appropriation is for support of those activities in the Department of Employment which relate to the administration of the state-financed disability insurance and hospital benefits program.

The administration of this program is integrated with that of the federally-financed unemployment insurance and employment service programs, California being one of only four states which has a disability insurance program.

## Department of Employment—Continued

The purpose of the program is to compensate in part for the wage loss sustained by individuals unemployed because of sickness or injury, and in addition to pay costs of hospitalization.

Budgeting in the Department of Employment, for both state-financed and federally-financed programs is on a performance basis, supported by a comprehensive system of functional time reporting and detailed cost records, and personnel requirements are calculated by multiplying average processing times required per unit of workload by the estimated number of units to be processed in the current year.

Total support expenditures for the Department of Employment for 1960-61, including retirement and federal grants, are estimated at \$39,489,679, of which \$5,920,147 (including retirement) or 15.0 percent, represents the state-financed disability and hospital benefits program.

In terms of personnel for 1960-61, the disability and hospital benefits program will require 794.8 positions or 14.9 percent of the departmental total of 5,338.7.

In addition to a central office staff, the disability and hospital benefits program is administered through 19 disability district offices, which are separate from field offices of the Department of Employment involved in the administration of its other programs. There are approximately 107 full-functioning unemployment insurance and employment service offices and 36 audit district offices engaged in tax work.

Total man-years devoted to the disability and hospital benefits program, in recent years, has been as follows:

Year	Total	Increase over prior years
1956-57 (actual) -----	609.5	28.3
1957-58 (actual) -----	655.3	45.8
1958-59 (actual) -----	704.1	48.8
1959-60 (estimated) -----	767.2	63.1
1960-61 (estimated) -----	794.8	27.6

Because of the fact that there are many employees in the department working on both the state and federally-financed programs, it is possible only to a limited extent to identify budget increases with particular positions.

In view of the fact that the budget is compiled strictly on a workload basis, and since it is the established policy of the department not to avail itself of increases budgeted if the anticipated workload does not materialize, *we recommend approval of the budget as submitted.*

In addition to financing costs of administration of the program, the Unemployment Compensation Disability Fund also finances benefit payments, and as indicated in the following summary of fund condition benefit payments have been exceeding total revenues in each year since 1956-57.

## Department of Employment—Continued

Table 1—Summary of Transactions, Unemployment Compensation  
Disability Fund 1955-56 to 1960-61  
(In millions)

	<i>Revenues</i>	<i>Expenditures</i>		<i>Ending balance</i>
		<i>Benefit payments</i>	<i>Costs of administration</i>	
1955-56 (actual) -----	\$56.7	\$47.5	\$3.6	\$142.3
1956-57 (actual) -----	60.9	56.8	4.0	142.4
1957-58 (actual) -----	62.3	69.8	4.5	130.4
1958-59 (actual) -----	74.3	85.8	4.7	114.2
1959-60 (estimated) -----	82.6	95.9	5.6	95.3
1960-61 (estimated) -----	96.0	109.1	5.9	76.3

The reason for the condition illustrated in the foregoing table is that benefit payments have been liberalized in recent years while revenues, which consist chiefly of employee contributions, have not increased proportionately.

Not included in the balance shown in Table 1 is money on deposit with the federal government in the Unemployment Trust Fund, which is available for either unemployment insurance payments or disability insurance payments. This amounted to \$134.1 million on June 30, 1959.

## DEPARTMENT OF EMPLOYMENT

ITEM 384 of the Budget Bill

Budget page 1054

FOR ADDITIONAL SUPPORT OF DEPARTMENT OF EMPLOYMENT FROM  
THE DEPARTMENT OF EMPLOYMENT CONTINGENT FUND

Amount requested -----	\$237,581
Estimated to be expended in 1959-60 fiscal year -----	354,813
Decrease (33.1 percent) -----	\$117,232

**TOTAL RECOMMENDED REDUCTION ----- \$10,344**

## Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
1 Assistant to the director -----	\$10,344	1,055	65

## ANALYSIS

The support expenditures from the Department of Employment Contingent Fund represent the following, exclusive of retirement:

	<i>Actual 1958-59</i>	<i>Estimated 1959-60</i>	<i>Proposed 1960-61</i>
Community employment program:			
State's share of joint costs -----	\$30,638	\$33,513	\$33,527
Assistant to the director -----	--	10,344	10,344
Actuarial services -----	5,000	5,000	5,000
Out-of-state travel -----	1,877	--	--
Pro-rata fiscal administration -----	18,848	15,919	16,530
Audit charges -----	758	821	750
Miscellaneous -----	60	650	650
Cost of prior year's Department of			
Finance audits -----	--	190,608	--
Charges under Chapter 1844,			
Statutes of 1959 -----	--	97,958	170,780
Totals -----	\$57,181	\$354,813	\$237,581

## Department of Employment—Continued

All expenditures, except the last two, are similar in nature to those financed by appropriations from the Contingent Fund in the past. The first item is for one-half the cost of the community employment program, the other half being financed out of federal grants, except that during 1959-60 and 1960-61 the entire amount of the salary of one position, that of assistant to the director, \$10,344, is included for the first time, no part of which is payable out of federal grants.

*We recommend elimination of the assistant to the director position (budget page 1,055, line 65), \$10,344.*

This position is further identified on page 136, line 9, of the salary supplement.

Our reason for this recommendation is that the position has not been justified as part of the community employment program, or any other program of the Department of Employment since if it were related to the unemployment insurance or employment service programs, federal funds would have been available to pay its costs, and if it were related to the disability and hospital benefits program it would have been budgeted as a part of that program.

Chapter 1844, Statutes of 1959, amended Section 11270 of the Government Code to include in the definition of administrative costs which are prorated among the various state agencies, amounts expended by the Legislature and the Secretary of State.

While such costs are properly chargeable to the Department of Employment under state law, we are informed that the federal authorities have taken the position that no federal money will be made available for payment of such charges. In this connection it should be noted that the Budget Act of 1959, Items 417 and 417.1, did not include any funds for payment of the amount of \$97,958 during the year 1959-60, which is shown in the foregoing tabulation as being in this category.

*We recommend approval of the budget as submitted except as noted above.*

## DEPARTMENT OF EMPLOYMENT

ITEM 385 of the Budget Bill

Budget page 1054

FOR ADDITIONAL SUPPORT OF DEPARTMENT OF EMPLOYMENT  
FROM THE UNEMPLOYMENT FUND

Amount requested .....	\$19,000
Estimated to be expended in 1959-60 fiscal year.....	15,680
Increase (21.2 percent) .....	\$3,320

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

This appropriation is from funds made available to the agency under Section 903 of the Social Security Act as amended (Reed Act) and is to provide for costs of the audit by the Department of Finance of the unemployment insurance and employment service programs in the Department of Employment during 1960-61, as required under Section 13294 of the Government Code.

## Department of Employment—Continued

Chapter 1814, Statutes of 1959, added Section 1528.5 to the Unemployment Insurance Code, setting forth the conditions under which such money can be made available. One of the conditions is that a specific appropriation by the Legislature is required.

*We recommend approval of the item as budgeted.*

The Federal Bureau of Employment Security has taken the position that no federal funds will be provided for these audits and as a consequence, a similar appropriation was made by item 417.5 of the Budget Act of 1959, for \$15,680.

**SAN FRANCISCO WORLD TRADE CENTER AUTHORITY**

ITEM 386 of the Budget Bill

Budget page 1038

**FOR SUPPORT OF SAN FRANCISCO WORLD TRADE CENTER AUTHORITY FROM THE SAN FRANCISCO HARBOR IMPROVEMENT FUND**

Amount requested ..... \$85,361

Estimated to be expended in 1959-60 fiscal year..... 78,900

Increase (8.2 percent) ..... \$6,461

**TOTAL RECOMMENDED REDUCTION**..... None**ANALYSIS**

The World Trade Center Authority proposes to continue its activities at the same level of service as in the past with an increase of 8.2 percent being requested to cover normal price and salary adjustments. Most of the expenditures are for contract operation of the World Trade Center.

*We recommend approval of the budget as requested.*

**STATE BUILDING PROGRAM**

ITEM 387 of the Budget Bill

Budget page 1033

**FOR CONSTRUCTION AND EQUIPMENT OF OFFICE BUILDING STOCKTON FROM THE PUBLIC BUILDING CONSTRUCTION FUND****RECOMMENDATIONS**

Amount budgeted ..... \$1,500,000

Legislative Analyst's recommendation..... Indeterminate

**ANALYSIS**

Chapter 1687, Statutes of 1955, Chapter 1647, Statutes of 1957 and Items 460, 461, 462 and 463 of the Budget Act of 1958 provided for the construction of a program of state office buildings and garages in Los Angeles, Fresno, Oakland, San Francisco, Sacramento, San Bernardino, San Jose, and San Diego to be financed by certificate borrowing from the State Employees' Retirement Fund.

It is now proposed to add to this program by the construction of a state office building in Stockton with the same method of financing. We have seen no program for the building, no preliminary plans or specifications and we have no basis for evaluating an estimate of cost. Consequently, we can make no recommendation at this time.

**CONTROL SECTIONS**

Sections 3 through 36 of the budget bill are the so-called "control sections" which place limitations upon the expenditure of certain appropriations, extend the availability of certain specified prior appropriations, define the authority of the Director of Finance with respect to reductions and transfers within and between categories of expenditure, and contain the usual severability and urgency clauses.

Although significant fiscal policy is contained in these sections, particularly with respect to extending the availability of prior appropriations, these sections have not been received by us in time to permit adequate review for purposes of recommendations to be incorporated in this Analysis. These control sections will be analyzed and a recommendation thereon made to the committees in hearings on the budget bill.