

GOVERNOR

ITEM 21 of the Budget Bill

Budget page 14

FOR SUPPORT OF THE GOVERNOR, FROM THE GENERAL FUND

Amount requested	\$692,818
Contribution to State Employees' Retirement System	25,000
Total	\$717,818
Estimated to be expended in 1960-61 fiscal year	704,667
Increase (1.9 percent)	\$13,151
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

The Constitution provides that the Governor is the Chief Magistrate of the State in whom is vested the supreme executive power. He is the Commander in Chief of the Militia. He transacts all executive business with the officers of government, civil and military and is responsible for the faithful execution of the laws. He reports on the condition of the State to every session of the Legislature and recommends such matters as he deems expedient. He is responsible for submitting, at each regular session of the Legislature, a detailed budget for state operations together with an explanatory message.

ANALYSIS

In reviewing the budget for the Governor's office, we note that in fiscal year 1959-60, an amount of \$40,500 was made available on the basis of Executive Order 60-54, on approximately June 21, 1960, from the Emergency Fund to meet the obligations of that office. Although the Executive Order did not detail the specific needs, it is understood that temporary help, additional communications and other increases in operating expenses was the basis for the increase.

It is also noted that a similar provision is made in the budget for the estimated expenditures for the current year, namely, it is anticipated that an executive order authorizing an allocation of \$47,078 from the Emergency Fund will be required to augment the budget item appropriation for fiscal year 1960-61. In part, this augmentation is due to the addition of eight positions during the current year, six technician-clerks and two assistant secretaries and in part to increased operating expenses.

Inasmuch as the increases have been made on an interim basis, rather than in the budget, a table showing the various factors of cost in the Governor's budget for the past five years is presented below.

Governor—Continued

Comparison of Actual and Estimated Expenditures
As Related to Budget Item Appropriation

	Actual 1957-58	Actual 1958-59	Actual 1959-60	Estimated* 1960-61	Requested 1961-62
Number man-years budgeted—	57	57.9	59.9	57.9	65.9
Number man-years actual—	58.6	56.3	63.9	65.9*	---
Budget Act appropriation—	\$461,260	\$488,597	\$556,133	\$602,057	\$692,818
Salary Increase Fund allocation -----	22,671	---	20,768	30,532	---
Budget Item Plus Salary Increase -----	\$483,931	\$488,597	\$576,901	\$632,589	---
Executive order augmentation -----	None	17,602	40,500	47,078*	---
Total Available -----	\$483,931	\$506,199	\$617,401	\$679,667	\$692,818
Total Support Expenditures -----	\$475,790	\$497,191	\$610,151	\$679,667*	\$692,818
Unexpended -----	\$8,141	\$9,008	\$7,250	---	---
Expenditure increase over prior year budget item plus salary increase -----	---	\$13,260 2.7%	\$121,554 24.9%	\$102,766* 17.8%	\$6,229 9.5%
Increase budget request over estimated current year-----	2.5	1.3	9.7	-0.1	1.8

* Estimated

The 1.8 percent increase over the estimated expenditures for the current year is due to an increase in salaries and wages of \$24,651 composed of merit increases and full year staffing of the two assistant secretaries and six technician-clerks offset by a reduction of \$11,500 in equipment expenditures. Historically, this budget item has been exempt from the Controller's audit required under Section 12410 of the Government Code, the submission of detailed budget to Department of Finance for approval under Section 13320 of the Government Code, and the audit of claims required by Section 16003 of the Government Code.

We recommend approval of this item as budgeted.

Governor

GOVERNOR'S RESIDENCE

ITEM 22 of the Budget Bill

Budget page 14

FOR SUPPORT OF GOVERNOR'S RESIDENCE FROM THE
GENERAL FUND

Amount requested -----	\$17,400
Estimated to be expended in 1960-61 fiscal year-----	17,400

Increase -----	None
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TOTAL RECOMMENDED REDUCTION-----	None
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ANALYSIS

This amount has been unchanged since fiscal year 1955-56 and is requested for the support of the Governor's mansion. Historically, this amount has not been subject to audit, therefore, a detailed breakdown of expenditures is not available and we make no comment.

We recommend approval as budgeted.

Governor's Office

SPECIAL CONTINGENT EXPENSES

ITEM 23 of the Budget Bill

Budget page 14

FOR SPECIAL CONTINGENT EXPENSES OF THE GOVERNOR'S
OFFICE FROM THE GENERAL FUND

Amount requested	\$7,500
Estimated to be expended in 1960-61 fiscal year	7,500
Increase	None

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

Prior to 1956-57 this item was titled Special Secret Service Expenses of the Governor's office. In the 1956-57 Budget the title was changed to its present form. The amount has remained the same for more than 10 years. It is exempt from audit.

We recommend approval of this item as budgeted.

Governor's Office

OFFICE OF ATOMIC ENERGY DEVELOPMENT AND RADIATION PROTECTION

ITEM 24 of the Budget Bill

Budget page 15

FOR SUPPORT OF THE OFFICE OF ATOMIC ENERGY DEVELOPMENT
AND RADIATION PROTECTION FROM THE GENERAL FUND

Amount requested	\$44,095
Contribution to State Employees' Retirement System	2,112
Total	\$46,207
Estimated to be expended in 1960-61 fiscal year	33,053
Increase (39.8 percent)	\$13,154

TOTAL RECOMMENDED REDUCTION	\$3,891
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Summary of Recommended Reductions

	Amount	Page	Budget Line
Operating Expenses:			
Reduce	\$3,675	15	55
Equipment:			
Reduce	216	15	57

GENERAL SUMMARY

The position of Co-ordinator of Atomic Energy Development and Radiation Protection was established in the office of the Governor by Statutes of 1959 (Health and Safety Code, Sections 25700-25764). In fiscal year 1959-60 the position and its staff was budgeted within the Governor's office, in fiscal year 1960-61 it was budgeted as a separate item and so remains.

The co-ordinator is authorized and has employed a staff, currently one, and his office and staff are titled The Office of Atomic Energy Development and Radiation Protection. It is headquartered in Sacramento. On June 30, 1961, it will complete its first full fiscal year of experience.

Office of Atomic Energy Development and Radiation Protection—Continued

Under the statutes the co-ordinator has a number of specific mandatory actions placed upon him as well as several permissive actions, all relative to atomic energy development and the radiation protection of the people of this State.

The mandatory actions include:

1. Serve as advisor to the Governor.
2. Perform the liaison function between the State and the federal government, including the United States Atomic Energy Commission and between this State and other states.
3. Co-ordinate the programs, and rules and regulations of the several departments and agencies of the State and the cities and counties.
4. Keep the Governor and interested state departments and cities and counties informed of private and public activities affecting the peacetime uses of atomic energy and radiation.
5. Enlist the co-operation of state agencies and cities and counties in protecting the health, safety and general welfare of the people of the State.
6. Disseminate to the public factual data and information and interpretations thereof concerning atomic energy development and uses of radiation in the State with the view of providing a reliable source of accurate information thereon.
7. Submit an annual report to the Governor and the Legislature within ten days of the commencement of each regular session. The first report is due this general session.
8. Act as chairman of the Departmental Co-ordinating Committee on Atomic Energy Development and Radiation Protection. Call meetings of this committee.
9. Act as secretary of the Advisory Council on Atomic Energy Development and Radiation Protection.
10. Recommend changes, comment upon, or make such suggestions as he deems necessary in connection with review of state agency rules or regulations applying to atomic energy development or radiation protection submitted to the co-ordinator as required by statute. The co-ordinator has 30 days in which to act upon these proposed rules or amendments prior to their being processed under provisions of Section 11423 of the Government Code.

Permissive actions the co-ordinator may take under the statutes are also quite broad. They are as follows:

1. When deemed necessary or appropriate, make recommendations to any state department or agency on the adoption, amendment or repeal of rules or regulations on atomic energy development or radiation protection.
2. Consult with and seek advice of technically qualified persons within and without the State on matters concerning atomic energy and radiation protection.

Office of Atomic Energy Development and Radiation Protection—Continued

Although the Departmental Co-ordinating Committee composed of representatives from 14 state agencies with interests and responsibilities in atomic energy development and radiation protection met for the second time on July 8, 1960, it has as yet produced no specific written plan to co-ordinate activities and delineate responsibilities for the purpose of precluding duplication of effort and services. It was upon the premise that the co-ordinator would resolve such problems that our office supported the establishment of this activity in the 1959 General Session. We believe that to insure efficiency of state operations without duplication in this highly technical area, a detailed expression of responsibilities is essential. Without this as a bench-mark against which to measure the future expansion of each interested state agency, it will be difficult to prevent illogical and unnecessary duplication of services and conflicts of, or gaps in responsibilities.

We believe there is a tendency on the part of the office to drift unintentionally into the field of administrative direction. This trend is enhanced by the title of the office as it has become the focal point in state government of all queries on the effects and uses of nuclear energy. We believe this trend should be halted and that the co-ordinator should guard against such infringement on the responsibilities of others and confine the scope of his activities to the statutory liaison, co-ordinating and informational functions assigned him as a staff member of the Governor's office.

Particular care should be taken by the co-ordinator to insure that information released by this office of a technical nature or based upon scientific research is concurred in or is developed by those state agencies with technical competence, primary interest and responsibility in the subject under discussion.

ANALYSIS

The expenditure of \$46,207 represents an increase of 39.8 percent or \$13,154 over the amount estimated for expenditure during the current year. Included in this figure is the State's contribution to the State Employees' Retirement System.

The major portion of the increase is due to adding the new position of Administrative Assistant II (\$8,520), the remainder is made up in operating expenses primarily printing, postage and telephone costs. Fees for consultants have been eliminated from the budget under consideration, thus providing an offset of \$1,000.

New Position

1 *Administrative assistant II (budget page 15, line 43)*----- \$8,520

We approve the establishment of this new position on the basis that it should assist in expediting the drafting of a plan of departmental co-ordination which will clearly express and define areas of responsibility so urgently needed to prevent duplication of effort in this new technical area by the interested state agencies. It should be further

Office of Atomic Energy Development and Radiation Protection—Continued

understood that our approval of this position also hinges upon the position not being used for the development of technical information on atomic energy development or radiation protection, in that this function, we believe, is within the purview of the operating agencies of the State.

Reductions

Operating expense—total recommended reduction----- \$3,675
General expense (budget page 15, line 48)----- 2,050

The reduction recommended in general expenses applies entirely to a proposed amount of \$4,000 requested for printing of informational bulletins. We believe that information to the public should be issued by the agencies which have primary responsibilities and that review and co-ordination should be this agency's primary responsibility. We recommend that funds for this purpose be withheld.

Reduce communications (budget page 15, line 49)----- \$625

We cannot agree that estimated postage expenses will increase by 133 percent or \$500 in the budget year particularly since we were advised that a portion of the \$4,000 budgeted for printing includes postage for that material. Further, an increase of \$250 in telephone costs for a three-person staff is believed unwarranted when compared with other similar offices. This reduction will permit this activity to continue through the budget year with an increase of \$125 over the current year.

Reduce in-state travel (budget page 15, line 50)----- \$500

This reduction continues this activity at the same level of support as during the current year.

Reduce out-of-state travel (budget page 15, line 51)----- \$500

We are advised that out-of-state travel is made to the eastern seaboard generally in connection with liaison with the Atomic Energy Commission. At the rate of approximately \$500 per trip, the remaining funds will allow for four such trips per year which we believe should be adequate.

Equipment—recommended reduction (budget page 15, line 57)--- \$216

The equipment list was reviewed and we recommend the deletion of a copying machine at \$216 as a machine of this nature is available in an adjacent office. This reduction will leave a remainder of \$583 for equipment purchases to support the new position and a portable dictating machine and transcriber.

**Governor's Office
OFFICE OF THE CONSUMER COUNSEL**

ITEM 25 of the Budget Bill

Budget page 16

**FOR SUPPORT OF THE OFFICE OF CONSUMER COUNSEL
FROM THE GENERAL FUND**

Amount requested -----	\$102,132
Contribution to State Employees' Retirement System -----	2,830
Total -----	\$104,962
Estimated to be expended in 1960-61 fiscal year -----	72,413
Increase (44.9 percent) -----	\$32,549
TOTAL RECOMMENDED REDUCTION -----	\$15,084

Summary of Recommended Reductions

Proposed new positions:	<i>Amount</i>	<i>Page</i>	<i>Line</i>
1 Associate Counsel -----	\$10,344	16	40
1 Senior Legal Stenographer -----	4,740	16	41

GENERAL SUMMARY

This office was established in the Governor's office by the Statutes of 1959. (Sections 12050-12057 of the Government Code.)

The current year will be its first full fiscal year of operation.

The Consumer Counsel by statute is required to: advise the Governor on all matters affecting the interests of the people as consumers; recommend to the Governor and the Legislature on the enactment of such legislation as he deems necessary to protect and promote the interest of the people as consumers; and make such studies related to the above as he deems necessary or as directed by the Governor. He may disclose information gained thereby from time to time to the people of the State.

Broad permissive authority is granted the Consumer Council to:

1. Appear before commissions, boards and other governmental bodies in behalf of the interests of the consumer.
2. Contract and co-operate with private or public agencies for statistical surveys, printing, economical information and similar services.
3. Perform other actions or activities incidental to the exercising of his powers and functions prescribed by law.

In addition, the Governor may establish advisory committees to assist the Consumer Counsel. One such committee of 15 members has been established by executive order in April, 1960. The title of the committee is the Program Advisory Committee to the Consumer Counsel. It is required to meet not less than four times annually. All such committees created by executive order under this authority are under the direction of the Consumer Counsel.

The counsel is headquartered in Sacramento and is assisted by a staff of five.

ANALYSIS

The amount of \$104,962 proposed for fiscal year 1961-62 is an increase of \$32,549, or 44.9 percent over the amount estimated to be

Office of the Consumer Counsel—Continued

expended in the current fiscal year. All categories of estimated expenditures show an increase, with the exception of temporary help with a slight decrease of \$694. The details of the increase of \$32,549 are as follows :

	Increase over prior year	
	Amount	Percent
Salaries and Wages :		
Merit salary increases -----	\$3,761	--
Temporary help -----	694	--
Proposed new positions -----	15,084	--
	<u>\$18,151</u>	<u>38.8</u>
Operating Expenses :		
General expense -----	\$828	--
Printing -----	3,831	--
Communications -----	1,470	--
Traveling—in-state -----	2,760	--
Traveling—out-of-state -----	500	--
Traveling—advisory committee -----	1,195	--
Accounting services -----	300	--
	<u>\$10,884</u>	<u>47.4</u>
Equipment -----	2,724	41.0
	<u>\$32,549</u>	<u>44.9</u>

Comparing the proposed expenditure, in the amount of \$104,962 for fiscal year 1961-62 with the actual expenditures of \$39,428 for fiscal year 1959-60, first year of operation, we find an increase of \$65,534, or 166 percent.

Recommended for deletion	Amount
1 Associate counsel -----	\$10,344
1 Senior legal stenographer -----	4,740

We do not believe that an office of this size and nature warrants a full-time counsel. In our opinion, complaints to this office which appear to be in violation of the law should be referred either to the Attorney General, who is the chief law enforcement officer of the State or to the appropriate regulatory agency. Legal services are provided in all such agencies and it is proper that legal interpretations should be obtained directly from the agencies which carry the primary responsibilities for enforcement or for legal advice.

The senior legal stenographer is recommended for deletion because it is not justified if the proposed new position of Associate Counsel is disapproved.

It is difficult to assess the real effectiveness of this office. At the time the budget hearing on the agency is held, however, the Governor or the Consumer Counsel will have had an opportunity to present his program of "legislation as he deems necessary to protect and promote the interests of the people as consumers," as is suggested in the law creating this office. On the basis of this program and the research developed by the office to support its enactment, the Legislature may be better able to make a judgment as to whether this appropriation is justified.

**Governor's Office
DISASTER OFFICE**

ITEM 26 of the Budget Bill

Budget page 17

FOR SUPPORT OF DISASTER OFFICE FROM THE GENERAL FUND

Amount requested.....	\$920,373
Contribution to State Employees' Retirement System.....	44,000
Total	\$964,373
Estimated to be expended in 1960-61 fiscal year.....	969,373
Decrease (0.5 percent)	\$5,000

TOTAL RECOMMENDED REDUCTION..... Indeterminate**GENERAL SUMMARY**

The State Disaster Office, a unit within the Governor's Office, as it is presently constituted, was initiated by Chapter 561 of the Statutes of 1941 which added Division 7 entitled "National Defense" to the Military and Veterans Code. Since that time through a series of changes and amendments to the code, the office has undergone some radical changes in organization and mission.

The present organization functions both to provide preparedness and relief incident to naturally caused disasters such as earthquakes, wind-storm, fires, etc., and to provide preparedness and relief incident to militarily caused disasters which are basically national in scope and responsibility. The organization, consisting of 96 full-time positions encompassed in a headquarters staff and six regional offices, functions primarily as a liaison group to prepare and maintain, in current usefulness, plans for disaster mobilization and relief; to supply information, co-ordination and encouragement to local disaster relief organizations in which actual manpower exists, on a voluntary basis; to carry out the major workload which would be required in the event of an actual disaster; and to provide certain specialized, technological services in the fields of radiology and radioactivity.

In our estimation, fully 80 percent of the capability of this organization is involved in maintaining a state of preparedness with respect to large scale military-type disasters with considerable emphasis on the results of the use of atomic and thermo-nuclear weapons. In this respect, it is safe to say that the State of California is substantially the leader among the 50 states in the extent to which it has provided for activities which are basically a national responsibility. It is difficult to assess the adequacy of a state civil defense program in the absence of a well-defined and implemented federal program. However, we believe that a lesser organization and expenditure than that which we presently have would be unrealistic and incapable of providing the basic essentials of a reasonable program. A larger organization and greater expenditures would appear to be unnecessarily wasteful of state funds unless a totally new approach were taken in which the State were to assume the major active role with a large full-time organization at a cost many times greater than the present cost.

It should also be recognized that without a reasonably strong and well-defined federal program, effectively co-ordinated with state pro-

Disaster Office—Continued

grams, the military disaster portion of the state program may be substantially ineffective and wasted. Justification for the existing level of state expenses is therefore largely predicated upon close integration with the federal civil defense philosophy and mission.

ANALYSIS

The budget for the 1961-62 fiscal year for this agency proposes an expenditure of \$964,373, including retirement contributions, which is \$5,000 or 0.5 percent less than the amount estimated to be expended in the current fiscal year. Salaries and wages are proposed to be increased \$22,234, which includes a half-time intermediate typist-clerk position, and is otherwise primarily the result of merit salary adjustments. Operating expenses are proposed to be increased by \$5,716, mostly attributable to increased traveling in-state. However, these increases are entirely offset by a substantial reduction in proposed amounts for equipment purchases as compared with the current fiscal year. In the current year the estimated expenditure for equipment is \$105,478. For the budget year it is reduced to \$61,113, more than 42 percent reduction. This large reduction is principally the result of the fact that in the current fiscal year there will be some one-time expenditures for the purchase of stand-by generators for the radio system which is not repeated in the budget year.

Since the proposed budget generally indicates that the current level of service is to be maintained in the 1961-62 fiscal year and since we believe that the operations of this organization cannot be reduced without impairing its basic missions, *we recommend approval of the program level contained in the budget as submitted with certain reservations concerning the replacement of microwave equipment which is included in the budget at \$18,000.* In the current fiscal year, \$12,000 was provided for this purpose. We believe that a complete review by the Legislature of the statewide microwave system, of which this is part, is called for at this time. The entire problem is discussed in the Analysis of the Budget of the State Division of Forestry, the budget for which contains substantial sums for additions to the microwave system.

Federal Reimbursements and Civil Service

Public Law 85-606 of 1958 added Section 205 to the Federal Civil Defense Act of 1950 which authorized the administrator of the Office of Civil Defense Mobilization to make financial contributions to the states for civil defense personnel and administrative expenses. The contribution was to be limited to a maximum of one-half of the total cost of necessary and essential personnel and administrative expenses. However, Section 205 did not specifically require that federal contributions could be used only to increase or expand such programs as were already underway in the states. On the other hand, the section did not specifically state that federal contributions should be used exclusively for expanding existing programs. Furthermore, this section provided that the development of state and local civil defense operational plans would be pursuant to standards approved by the administrator of the O.C.D.M.

Disaster Office—Continued

Section 205 also required the establishment and maintenance of personnel standards on the merit basis, with the administrator of O.C.D.M. having the authority to pass on the necessity and propriety of the merit plan.

It appears that the State Disaster Office is a well-established and accepted function of state government carrying responsibilities which are of both state and federal interest. Furthermore, there appears to be no reason to assume at this time that in the foreseeable future there will be any abatement of the need for this function, assuming that there is a need for it at this time. Consequently, we believe that it is proper for this office to come under the civil service system which is characteristic of other established administrative functions of state government. If the Legislature were to enact the legislation necessary to take this organization into the civil service, we can assume that this would automatically qualify the State, in this respect, to receive federal aid for its personnel and administrative expenses in the State Disaster Office.

However, it should be pointed out that while the law does not require it, as mentioned above, the administrative manual of the O.C.D.M. indicates that it is the policy of the administrator that the federal funds are not to be considered as being merely available to share normal local and state administrative expenses and that it is the intent of the program to increase the operational capability of civil defense organizations. The tenor of this manual indicates that it is the intention of the administrator to provide federal funds only to be used for augmenting the activities of the State Disaster Office by adding personnel and equipment.

This federal policy leaves the State of California at a serious disadvantage in planning and implementing a program to meet both state and national civil defense needs. It is also inconsistent with the policy of the State which has been to endeavor to establish a realistic program based on state and national interests without reference to source of support. It is not known at this time what "merit system" would be approved administratively by the Office of Civil Defense Mobilization nor, if approved, whether and under what terms and conditions federal funds will be allocated to California as they are to other states. In view of the announced policy of the Director of O.C.D.M. to allocate federal funds for *new* or *additional programs* without regard to the level of expenditures which the State of California supports and has supported for a number of years, and without regard for whether this supports an adequate program of civil defense, it is recommended:

1. That California enact legislation placing the staff of the State Disaster Office under civil service, thus giving legislative recognition to a basic qualifying condition for the receipt of federal funds.

2. The Office of Civil Defense should present a plan of augmentation of existing program which follows as closely as it can ascertain the prospective pattern of federal approval, and that this plan be considered by the Legislature for inclusion in a concurrent resolution defining

Disaster Office—Continued

the Legislature's recommended policy and program for guidance of the administration in accepting federal funds.

It should also be pointed out that it has come to our attention that the Governor has signed a document addressed to O.C.D.M. providing for an interim merit system for the State Disaster Office, based upon which the O.C.D.M. will supposedly make available approximately \$300,000 of federal funds, as matching for personnel and administrative expenses, which will be used to provide additional positions and equipment in the second half of the current fiscal year. The positions, reportedly numbering 29, would then come under any civil service extensions which the Legislature might provide in the 1961 Session.

The printed budget for the 1961-62 fiscal year makes no provision for this, even to the extent of reporting these actions.

LIEUTENANT GOVERNOR

ITEM 27 of the Budget Bill

Budget page 20

FOR SUPPORT OF THE LIEUTENANT GOVERNOR
FROM THE GENERAL FUND

Amount requested	\$98,455
Contribution to State Employees' Retirement System.....	3,434
Total	\$101,889
Estimated to be expended in 1960-61 fiscal year.....	99,610
Increase (2.3 percent)	\$2,279
TOTAL RECOMMENDED REDUCTION	\$10,764

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Salaries and wages			
Junior research assistant.....	\$6,672	20	35
Intermediate stenographer-clerk	4,092	20	36

GENERAL SUMMARY

The Lieutenant Governor, one of the constitutional officers, maintains offices in Sacramento and Los Angeles for the convenience of the public. He acts as the chief executive during periods when the Governor is not within the State and as the presiding officer of the Senate during legislative sessions. He serves as an ex officio member of eight boards and commissions. They are: Board of Regents, University of California; Board of Trustees, State College; State Lands Commission; Interstate Co-operation Commission; Reciprocity Commission; Reapportionment Commission; State Disaster Council; California Toll Bridge Authority.

While it is recognized that the Lieutenant Governor has been increasingly active in his ex officio duties on the various boards and commissions, we believe the Legislature should carefully review the information-gathering function of this office in relation to the Governor, particularly in view of the rapid expansion in the executive office.

In the table below we have shown the actual and proposed costs of the office from fiscal year 1957-58 through fiscal year 1961-62. From

Lieutenant Governor—Continued

inspection it is readily apparent the major factor of the increase is in salaries and wages due to increases in staff and wage increases.

	<i>Actual</i> 1957-58	<i>Actual</i> 1958-59	<i>Actual</i> 1959-60	<i>Estimated</i> 1960-61	<i>Proposed</i> 1961-62	<i>Percent</i> <i>increase</i> <i>since</i> 1957-58
Lieutenant Governor and staff -----	4	5.2	5.6	8.6	8.4	110
Salaries and wages ---	\$36,384	\$43,953	\$57,135	\$68,956	\$68,685	88.8
Operating expense ---	20,080	21,606	22,702	24,856	25,450	26.7
Equipment -----	226	2,893	2,756	2,350	4,320	--
Totals -----	\$56,690	\$68,452	\$82,593	\$96,162	\$98,455	73.7

ANALYSIS

The total amount of \$101,889, including contributions to the State Employees' Retirement System of \$3,434, requested for support of the Lieutenant Governor for fiscal year 1961-62, represents an increase of 2.3 percent, or \$2,279, over the estimated expenditures of the current year. The amount of \$99,610, the estimated current year expenditure, includes an allocation from the Emergency Fund of \$3,057 required to provide partial support for the two positions added during the current year.

The total increase of \$2,279 over current year expenditures results from a decrease in salaries and wages of \$271 due to a reduction of the amount required for temporary help offset by merit increases and reclassifications; an increase in operating expenses of \$594 due primarily to increases in postage and in state travel; and a net increase in equipment expenditures of \$1,970 resulting from decreases in additional equipment expenditures offset by a replacement automobile at \$3,200.

Reductions

- 1 Junior research assistant (budget page 20, line 35)----- \$6,672
 1 Intermediate stenographer-clerk (budget page 20, line 36)--- 4,092

These positions were established during the current year and now appear as proposed new positions.

The purpose or duties of the junior research assistant are: to make special surveys and investigations, to compile and analyze research data, to prepare data for presentation in written form, to make preliminary analyses of laws and procedure, to write analytical reports, to meet and interview people, to prepare answers for letters and develop speech resource material.

The intermediate stenographer-clerk is proposed to handle a portion of the increasing clerical workload developing in this office.

We recommend deletion of \$10,764 for the support of these two positions.

A review of the justifications presented for these positions confirms our belief that the purpose and workload for which they are requested, to a major extent, are controllable by the office.

With the exception of the deletions noted above, we recommend approval of this item.

STATE EMPLOYEES' RETIREMENT SYSTEM

ITEM 28 of the Budget Bill

Budget page 21

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

Amount requested	\$1,257,888
Contribution to State Employees' Retirement System	90,768
Total	\$1,348,656
Estimated to be expended in 1960-61 fiscal year	1,185,379
Increase (13.8 percent)	\$163,277
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

The State Employees' Retirement System is administered by a Board of Administration composed of a president, vice president and six members. The positions of executive officer and actuary are directly responsible to the board. Assistance is given to the executive officer by an assistant, an actuary, an administrative advisor and the Administrative Services Section, with a staff of 24.

The principal functions of the system are: (1) the accounting for contributions and benefits paid, (2) making actuarial studies to determine policy and the rate determination, (3) reviewing the qualification of applicants for membership, (4) assisting local contracting governments in applying the Retirement Law and the rules of the system, and (5) administering the federal program for Old Age and Survivors Insurance in its application to retirement members.

ANALYSIS

The request for fiscal year 1961-62 is an increase of \$163,277 and was brought about principally from the following:

	<i>Increase</i>
Proposed new positions (24)	\$127,258
Printing	13,605
Election postage	4,000
Tabulating machine operation	11,857
Actuarial valuation	26,000
Total	\$182,720

The above increases are somewhat offset by minor decreases.

Eleven of the 24 proposed new positions are to be used for a study of the programing of the functions of the system and conversion of the records from punched cards to magnetic tape. The feasibility study of converting to electronic data processing was conducted in fiscal year 1960-61. For economy reasons, consideration is being given to contracting some of the computing functions to the Controller's Office. Two positions are requested to handle increased workload in the Old Age, Survivors' and Disability Insurance program. Eleven positions, three of which were established in the current year, are requested for anticipated increase in general workload. Estimated increases in workload measures are as follows:

Item 28**Retirement System****State Employees' Retirement System—Continued**

	<i>Increase</i>
State members	6,000
Contracting agency members	9,000
Retired members	2,300
Memberships terminated	4,200
Deaths	50

There has also been an increase in the number of members obtaining Social Security and survivor benefit coverage.

Four positions from the Investment Section of the Department of Finance were added in fiscal year 1960-61 to provide advisory service to the board on investment of funds.

An information booklet reflecting legislation enacted in the 1961 Session will be distributed to all members of the system, which accounts for the increase of \$13,605 in printing.

The amount of \$4,000 is for postage for the election of a member to the Board of Administration.

Tabulating machine operation shows an increase of \$11,857 which is due to the increase in membership and requires an increased expenditure of \$8,000 for forms and cards. The amount of \$3,800 is estimated to be necessary for alterations for the new electronic equipment.

We recommend approval of this item as submitted.

CALIFORNIA COMMISSION ON INTERSTATE CO-OPERATION

ITEM 29 of the Budget Bill

Budget page 25

**FOR SUPPORT OF THE CALIFORNIA COMMISSION ON
INTERSTATE CO-OPERATION FROM THE GENERAL FUND**

Amount requested	\$51,905
Estimated to be expended in 1960-61 fiscal year	51,905

Increase	None
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TOTAL RECOMMENDED REDUCTION	None
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GENERAL SUMMARY

This commission is composed of 19 members and two ex officio non-voting members. They are: seven members of the Senate Committee on Interstate Co-operation; seven members of the Assembly Committee on Interstate Co-operation; and five members who are officers of the State and appointed by the Governor. The Governor himself is an ex officio honorary nonvoting member. In addition, the Governor may appoint as an ex officio nonvoting member one of the members of the California Commission on Uniform State Laws.

The functions of the commission expressed in the statutes are:

1. To carry forward the participation of this State as a member of the Council of State Governments, both regionally and nationally.
2. To confer with officers of other states and of the federal government.

California Commission on Interstate Co-operation—Continued

3. To formulate proposals for co-operation between this State and the other states and the federal government.
4. To organize and maintain governmental machinery for such purposes.

The commission is required to render a report to the Governor and the Legislature within 15 days after the convening of each regular legislative session and at such other times as it may deem appropriate.

Lastly, the commission is authorized to participate by contributions to the Council of State Governments and other similar governmental organizations affiliated with it, with other states in maintaining the council's regional and central secretaries.

The Lieutenant Governor and the regional headquarters in San Francisco provide staff services to the committee.

ANALYSIS

Proposed expenditures for 1961-62 are the same in total and the same in each category of expenditures as for 1960-61. The principal item of expenditure is the contribution of \$49,000 to support the Council of State Governments and the regional office in San Francisco. This contribution is determined as a pro rata state share based on population, although not all states make a contribution to the Council of State Governments, nor are the services of the council necessarily related to population. The contribution of California was increased from \$25,000 to \$31,250 in 1955-56 and to \$49,000 in 1959-60.

We recommend approval of the item as budgeted.

THE PERSONNEL BOARD

ITEM 30 of the Budget Bill

Budget page 25

**FOR SUPPORT OF THE PERSONNEL BOARD
FROM THE GENERAL FUND**

Amount requested	\$2,900,016
Contribution to State Employees' Retirement System	180,000
Total	\$3,080,016
Estimated to be expended in 1960-61 fiscal year	3,040,502
Increase (1.3 percent)	\$39,514

TOTAL RECOMMENDED REDUCTION None

GENERAL SUMMARY

The State Personnel Board has the responsibility under Article XXIV of the State Constitution, Sections 18000-19765 of the Government Code and Title 2 of the Administrative Code, for serving the personnel needs of state agencies. For the 1960-61 fiscal year there are approximately 120,000 authorized positions within state service as shown in the following table:

Item 30

Personnel Board

The Personnel Board—Continued

Category	1960-61
Civil service	88,878
Statutory	270
Exempt	
State College	9,543
Other	1,310
University of California	20,040
Total	120,041

The Personnel Board, which consists of five members appointed by the Governor for 10-year terms, prescribes, amends and repeals rules as necessary to administer the civil service act and sets the general policies for the Personnel Board.

The Personnel Board provides technical personnel services in the areas of recruiting, examining, classifying, certifying, adoption of pay rates, training and establishment of health and safety standards. The functions of the Personnel Board have become more complex and the detailed operations more numerous due, in a large part, to the continued growth in the past few years in number of state employees and number of applicants for positions in the state service.

Emphasis has been placed on research in an effort to develop improvements in methods and savings in time and staff. The most notable result of this effort, during the current year, is the installation of a Random Access Method of Accounting and Control (RAMAC). This machine will accommodate the present roster and certification systems and result in the abolition of 21.7 positions.

ANALYSIS

No new positions are proposed for the 1961-62 fiscal year and 21.7 positions in the Office Services Division are proposed to be abolished due to the savings in staff time resulting from the installation of the RAMAC. The budget proposes a reduction in the number of authorized positions for the Personnel Board from 478.4 to 456.7.

We recommend approval of the budget as submitted.

General Management Survey

A policy question which is related to the Budget Bill is the implementation by the Personnel Board of one of the recommendations contained in the November, 1958, Department of Finance Organization and Cost Control, "General Management Survey of the State Personnel Board."

The report recommends that the Personnel Board itself should "develop a delegating and streamlining program wherein there is greater dependence on the staff for a competent technical job." The report continues: "analysis of many board calendars has made it apparent that one of the characteristics of the central personnel agency is the large number of items going to the board for review and decision." The report cites the costliness of this operation in terms of staff preparation of detailed written material and subsequent time-consuming staff appearances at board meetings; slowness of administrative action; and the expenditure of board members' time on routine matters which could

The Personnel Board—Continued

better be spent on more important policy matters. The report cited methods for carrying out this delegating and streamlining program wherein such nonappearance items as establishment of new classes and change in salary ranges, the staff presentation could be less formal and less detailed; items which should not go to the board if agreement is reached between the agency and personnel staff in such matters as requests to pay cash for overtime and requests for open nonpromotional examinations; changes in class specification which should continue to go to the board, but with a less detailed and more informal staff presentation. *We urge that action be taken to implement this recommendation.*

Interagency Personnel Committee

Each year, for the past six years, we have reported to the Legislature in our *Analysis of the Budget Bill* the lack of and the need for a statewide policy defining the immediate and long-range concept of the personnel responsibilities which should remain with the Personnel Board and those which belong to the operating departments. An interagency committee with representatives from the State Personnel Board, Personnel Officers' Council, Department of Finance and Legislative Analyst has continued to study this problem during the current year.

Although considerable progress has been made, we hope that this committee's report, when finally prepared, can serve as measurable criteria for the application of workload factors for staffing in the central personnel agency and in the personnel and training offices of the various operating agencies.

Recruitment and Field Services Division

The staff and program of this division has expanded quite rapidly during the past few years, and while no increase is proposed in either number of staff or level of service for this division, we believe that the Personnel Board should conduct a detailed evaluation of its over-all recruitment efforts during the forthcoming 1961-62 fiscal year and further, that the results of these findings be submitted to the Department of Finance and Legislature as part of the justification for the 1962-63 fiscal year budget. A complete analysis of this type has not been made, although the board has indicated that "the division is attempting to measure the effectiveness of various recruitment media and techniques." We realize the practical difficulties underlying the development of such an analysis such as staff time which would need to be devoted to such a project, difficulty in evaluating the qualitative versus the quantitative results of recruitment efforts, and measuring the interest which may be aroused in state service and not bear fruition for a number of years, but we are confident that the staff of the Personnel Board has the competence to overcome these obstacles and subsequently complete an analysis of this type. We feel that such an analysis is essential to the budgetary review processes of the Department of Finance and as an aid to the Legislature in its consideration of the over-all recruitment activity of the Personnel Board. The preparation of such an analysis should also assist in the administration

Item 31**Secretary of State****The Personnel Board—Continued**

of the recruitment program within the Personnel Board. *We urge that action be taken to implement this recommendation.*

Office Services Division

This division is presently in the process of converting its roster and certification operations so as to enable these functions to be performed by the IBM RAMAC 305. Although the cost of conversion will approximate \$20,000 and the monthly equipment rental will be approximately \$5,350, the first year's savings in salaries and wages will exceed the conversion and equipment rental costs with subsequent annual savings of at least \$25,000 per year. The RAMAC's capacity will only be utilized by some 40 percent with the application of the roster and certification functions to this machine. The board plans to apply additional operations to the machine with subsequent savings in staff time. Other advantages of the use of this machine are savings in floor space due to a reduction in the manual record-keeping operation and faster, more detailed, and more accurate service to state agencies. While we are in agreement with the value of this management improvement and the potential savings from the use of this machine, we feel that the Legislature should be made aware of the fact that they have not previously considered the use by the board of this piece of equipment.

SECRETARY OF STATE**ITEM 31 of the Budget Bill**

Budget page 31

**FOR SUPPORT OF THE SECRETARY OF STATE
FROM THE GENERAL FUND**

Amount requested	\$443,128
Contribution to State Employees' Retirement System	29,582
Total	\$472,710
Estimated to be expended in 1960-61 fiscal year	467,116
Increase (1.2 percent)	\$5,594
TOTAL RECOMMENDED REDUCTION	\$19,592

Summary of Recommended Reductions

	Budget		
	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Salaries and Wages:			
Photocopyist	\$4,092	32	42
Operating expense	3,500	32	52
Equipment	12,000	32	56

GENERAL SUMMARY

The major functions of this office are: review, approve and file articles of incorporation, amendments, dissolutions, agreement of mergers and consolidations; review of recordation relating to mortgaged personal property; registration of trademarks; the general supervision of elections; maintenance of the Archives and the Central Record Depository; and attesting the official acts of the Governor and Legislature.

Secretary of State—Continued

ANALYSIS

The increase of \$5,594 for the fiscal year 1961-62 as compared to the amount estimated to be expended in the current year results primarily from an increase of \$18,345 in salaries and wages due to normal salary adjustments, a proposed new position, and a decrease of \$12,600 in salary savings. There is also a decrease of \$15,740 in equipment.

We recommend deletion of the amount of \$19,592 requested by the Secretary of State for the purpose of laminating documents of the State of California which have historical value and those which, according to law, must be kept indefinitely.

This same request was first made in the 1949 Session. Assembly Bill 2401 which proposed an appropriation of \$10,000 was disapproved by the Ways and Means Committee. This same request has been made several times and on each occasion the Legislature has disapproved the request. The office of the Legislative Analyst has recommended deletion of this amount each time it has been requested. The management analysis section of the Department of Finance, in a report dated November 9, 1949, recommended that funds be disallowed for this purpose.

When the request for laminating equipment was first made in 1949 the Secretary of State estimated that about 3,000 documents would be laminated. The present request states that it is intended to laminate more than 50,000 documents. We do not see the necessity for the laminating of such records as census returns 1852-60, controllers claims 1849-86, election returns 1849-54, applications, admissions to bar 1876-95, capitol payrolls 1850-90, notary public applications 1850, and many documents of similar nature. For the few people who wish to use these documents for research purpose, microfilming should suffice. The relatively few documents, such as Constitutions of California, the Lincoln letter, etc., could be laminated by contract at very little cost.

With the exception of the deletion noted above, we recommend approval of this item.

DEPARTMENT OF AGRICULTURE

ITEM 32 of the Budget Bill

Budget page 35

FOR SUPPORT OF DEPARTMENT OF AGRICULTURE
FROM THE GENERAL FUND

Amount requested	\$9,217,427
Contribution to State Employees' Retirement System	514,582
Total	\$9,732,009
Estimated to be expended in 1960-61 fiscal year	9,519,729
Increase (2.2 percent)	\$212,280

TOTAL RECOMMENDED REDUCTION None

GENERAL SUMMARY

California's diversified agricultural production continues to lead the nation based on 1959 production figures. An all-time record for cash farm income of \$3,034,617,000 was established, which is 6 percent