

PUBLIC UTILITIES COMMISSION

ITEM 256 of the Budget Bill

Budget page 605

FOR ADDITIONAL SUPPORT OF THE PUBLIC UTILITIES COMMISSION
FROM THE TRANSPORTATION RATE FUND

Amount requested	\$2,857,314
Contribution to State Employees' Retirement System	177,665
Total	\$3,034,979
Estimated to be expended in 1960-61 fiscal year	3,002,096
Increase (1.1 percent)	\$32,883

TOTAL RECOMMENDED REDUCTION

None

ANALYSIS

This appropriation is for costs of administration involving regulation of carriers of property for compensation by rail, truck or water, the details of which are included under budget item 255. Any adjustments in that item relating to administrative costs of the foregoing will require a corresponding adjustment in this item.

DEPARTMENT OF SOCIAL WELFARE

ITEM 257 of the Budget Bill

Budget page 612

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

Amount requested	\$3,840,917
Contribution to State Employees' Retirement System	234,609
Total	\$4,075,526
Estimated to be expended in 1960-61 fiscal year	3,877,487
Increase (5.1 percent)	\$198,039

TOTAL RECOMMENDED REDUCTION

\$268,371

Summary of Recommended Reductions

Departmental Administration

Salaries and Wages

Director's office:

	Amount	Budget Page	Line
1 Case management project director	\$13,200	615	72
1 Senior research technician	10,221	615	73
1 Senior administrative analyst	10,221	615	74
1 Intermediate stenographer-clerk	4,458	615	77

Operating Expenses:

Consultant services—case management project	6,000	616	5
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Community Welfare Services

Salaries and Wages

Field review and public assistance:

7 Public assistance specialist I	44,520	616	48, 57
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Adoptions:

2 Child welfare specialist I	12,720	616	67
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Licensing:

1 Child welfare specialist I	6,360	616	72
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Management Services

Operating Expenses:

Traveling—in-state	28,325	618	48
Traveling—out-of-state	2,500	618	49

Department of Social Welfare—Continued

Proposed New Positions for New Services
Related to Proposed Legislation

Fiscal Office:			
1 Intermediate account clerk-----	\$1,950	618	18
1 Accounting technician II-----	2,256	618	21
Research and Statistics:			
0.5 Temporary help-----	2,500	618	25
Research:			
2 Senior social welfare research technician-----	19,704	618	27
1.5 Associate social welfare research technician-----	12,168	618	29
1 Intermediate stenographer-clerk-----	4,092	618	31
1 Intermediate typist-clerk-----	3,900	618	32
Training:			
2 Training officer I-----	16,224	618	34
2.5 Public assistance specialist III-----	19,320	618	35
1 Intermediate stenographer-clerk-----	4,092	618	36
Division of Medical Care:			
1 Public assistance specialist IV-----	8,940	620	43
1 Medical social work consultant II-----	7,728	620	44
1 Intermediate stenographer-clerk-----	4,092	620	45
0.4 Temporary help—medical consultation-----	5,000	620	46
Division of Social Security:			
2 Public assistance specialist-----	17,880	620	49
Total-----	\$268,371		

GENERAL SUMMARY

The legal authority for the State Department of Social Welfare is found in the Welfare and Institution Code. The department is created to administer welfare laws, and is headed by a Director who is appointed by the Governor. Rules and regulations formulating policies which implement or interpret the law are adopted by a State Social Welfare Board.

Welfare programs which include federal, state and county financial participation for assistance and which are directly administered by the counties, but supervised by the State Department of Social Welfare include:

1. Old Age Security;
2. Aid to Needy Children in families;
3. Aid to Needy Blind;
4. Aid to Totally Disabled;
5. Medical Care for Public Assistance Programs.

Welfare programs which include only state and county financial participation for assistance and which are administered directly by counties and supervised by the State Department of Social Welfare include:

6. Aid to Needy Children in Boarding Homes and Institutions;
7. Aid to Partially Self-supporting Blind.

Programs financed by the State and administered either by the State, by counties, or both, include:

8. Adoptions;
9. Licensing.

State financed and administered programs:

10. Prevention of Blindness Program.

State and Federally financed program:

11. Child Welfare Services

Department of Social Welfare—Continued

A summary of aid costs is located on page 996, which is a separate section discussing recent developments in welfare programs.

The State Department of Social Welfare maintains its headquarters in Sacramento and has three area offices; Los Angeles, San Francisco and Sacramento. Approximately one-half of the department's staff is located at headquarters and the rest is divided among the area offices.

This is the first budget which reflects the reorganization of the top structure of the department, as it was proposed in a management survey published in 1959 by the Organization and Cost Control Division of the Department of Finance. The 1961-62 budget is divided into four sections: (1) Departmental Administration—which includes the directors office, the Social Welfare Board, and the administrative advisor; (2) Community Services—which includes the three area offices; (3) Management Services—which includes the fiscal officer, Bureaus of Research and Statistics, Management Analysis, Personnel, Training and almost all of the operating expenses and equipment for the entire department; (4) Program Development—which contains the Divisions of Child Welfare, Medical Care, Social Security and Division for the Blind.

It is estimated that social welfare programs in California, excluding the proposed medical assistance for the aged program, will benefit an average of almost 620,000 recipients per month in the fiscal year 1961-62, at an estimated total cost of \$606 million of federal, state, and county funds. Over \$250 million of this amount will constitute state funds, but only approximately 3.4 percent or \$8.4 million will be subject to legislative budget control, for aid payments are based on open end and "continuous" appropriations under the Welfare and Institutions Code. Items subject to legislative budget review include the State's share of administrative costs of the Department of Social Welfare (approximately \$4.1 million), reimbursements to counties for the inspection and licensing of homes for aged and children (approximately \$1.3 million), and reimbursements to counties licensed to provide adoption service for costs of administration and care (approximately \$3.0 million). This analysis is concerned only with the operations budget of the State Department of Social Welfare. Budget appropriation requests for county reimbursements for licensing and adoptions appear in the Local Assistance section of the budget.

ANALYSIS

Revenue for support of the Department of Social Welfare comes from federal funds as well as the State General Fund. Proposed expenditures for the fiscal year 1961-62 total \$6,483,071, of which \$2,407,545 represents the federal share and \$4,075,526 constitutes the 1961-62 request from the State General Fund. The proposed \$4,075,526 from the General Fund represents an increase of \$198,039 or 5.1 percent over estimated expenditures in 1960-61.

Department of Social Welfare—Continued**Salaries and Wages**

A total of 41.6 new positions are being proposed, of which 22.7 positions (15.7 professional and seven clerical), are being requested either on the basis of estimated workload increases or as extensions of services currently being provided.

Yardsticks are not available for professional positions except for a few classifications in area offices. The best yardsticks are for clerical positions, found in both headquarters and area offices, which measure the time required for a specific workload unit.

The Personnel Board, in October, 1960 granted a salary increase for all social casework and related classifications, retroactive to July 1. This raise affected 230 professional positions in the Department of Social Welfare for an increase in salaries and wages of \$84,758, thus the abnormal increase in salaries and wages between 1959-60 and the current and 1961-62 budgets.

Legislation being proposed by the Governor to provide new services to communities and counties and create a medical care program for older citizens other than Old Age Security recipients, accounts for 18.9 proposed new positions. These initial 18.9 new positions which will effectuate new services and the new program, and whose establishment is contingent upon the passage of legislation, are discussed as a single unit at the end of this analysis.

Operating Expenses

Major increases in operating expenses include: (1) a 6 percent (\$21,568) increase in rent, due to increased rates in the Department of Employment building in Sacramento and the Los Angeles area office; (2) an estimated increase in the caseload and hospital charges of the Prevention of Blindness Program (\$36,070).

Departmental Administration

This is the executive unit of the department and includes the State Social Welfare Board, the Directors' Office, and the Administrative Advisor.

Salaries and Wages

Proposed expenditures for salaries and wages for Departmental Administration for 1961-62 total \$291,093, which reflects a decrease of \$26,175 or 8.3 percent of the \$317,268 estimated to be expended for 1960-61.

The decrease is due to the elimination of an inter-departmental coordinator and five supporting staff positions from the director's office, which were approved for 1960-61, and eliminated in the proposed budget. We agree with this, and recommended against the establishment of the interdepartmental coordinator and staff in last year's analysis. This year six more positions are being requested for the director's office, this time for a case management project director and five supporting staff positions. These positions are:

Department of Social Welfare—Continued

1 Case management project director (budget page 615, line 72)	\$13,200
1 Senior research technician (budget page 615, line 73)	10,221
1 Senior administrative analyst (budget page 615, line 74)	10,221
1 Casework consultant (budget page 615, line 75)	9,310
1 Senior stenographer-clerk (budget page 615, line 76)	4,740
1 Intermediate stenographer-clerk (budget page 615, line 77)	4,458

This project includes an attempt, by the State Department of Social Welfare, to systematize social work casework, by classifying recipients in various welfare programs according to the severity of their problems. The intent is to classify recipients in order to be able to look at the entire caseload and see which cases should receive the most attention by the social workers. Since January, 1960 two people from the Department of Social Welfare have been setting up this case management project as a pilot study in San Francisco County by helping to classify cases and train personnel. They have been financed as temporary help from federal funds, which will no longer be available for this service after the current fiscal year.

We recommend the elimination of four of the six positions, including the case management project director, senior research technician, senior administrative analyst, and intermediate stenographer-clerk for a savings in salaries and wages of \$38,100.

We recommend approval of one casework consultant and one senior stenographer-clerk.

There is certainly merit in trying any program which could help to rehabilitate welfare recipients while simultaneously making more efficient use of social case workers. However, from an administrative point of view, it appears that such a large staff for this project is premature in this stage of its development. Now that the initial pilot study has been implemented in San Francisco, the department should wait, observe and evaluate some results before deciding to apply similar methods in other counties. Actually the classification of cases which has been accomplished in San Francisco is only the first step. Until experience is gained from the application of co-ordinated casework methods to the classified cases, it cannot be known whether this program will be beneficial, and until it is proved it should not be extended.

There should be no need for the case management project director in any event, because there was a \$13,860 a year special projects supervisor position authorized in 1960-61 which has never been filled. Since the case management project is a special project and a position is currently authorized, there is no reason to create a new position.

In addition to the utilization of a special project supervisor we recommend approval of the casework consultant and senior stenographer because this would allow the State Department of Social Welfare to continue the project with three positions similar to those temporary positions being financed from federal funds as of December 1960. These positions could observe the pilot study in San Francisco County and evaluate whether the project: (1) is workable; (2) will increase the efficiency of the social worker, and most important; (3) will aid in the

Department of Social Welfare—Continued

rehabilitation of more welfare recipients, thus lowering welfare rolls. The amounts of federal money allocated for this project in 1959-60 and in the current year appear on budget page 615, line 62, as Temporary help—special projects.

Operating Expenses

Most operating expenses are reported under the management services section, with the exception of some special expenses such as consultant services and hearing costs.

Consultant services—case management project (budget page 616, line 5)----- \$12,000

This request is to provide outside consultant services for the special project described under salaries and wages above.

We recommend a 50 percent reduction in the proposed consultant services for the case management project for a savings of \$6,000.

Since we recommend a reduction in the number of positions requested for the case management project on the basis that the pilot study being conducted in San Francisco County should be observed and evaluated before similar projects are started by the State in other counties, less consultant services will be needed.

Community Welfare Services

This unit is composed of three area offices located in Los Angeles, San Francisco and Sacramento. Area offices account for approximately one-half of the personnel employed by the Department of Social Welfare. Area functions include: (1) supervision of county administration of Public Assistance programs, (2) general consultation services to counties and other agencies regarding social welfare functions, and (3) direct licensing and adoption services.

Salaries and Wages

Salaries and wages for 1961-62, for 335.1 authorized and proposed new positions total \$2,298,480, which is a \$134,221 or 6.2 percent increase over the \$2,164,259 estimated to be expended in 1960-61.

26 Program specialist (budget page 616, line 48)----- \$196,620

21 Program specialist (budget page 616, line 57)----- 173,748

According to the departments' organizational handbook, these positions perform the following functions: (1) review of county performance in the administration of public assistance programs, except A.T.D.; (2) answering complaints, general correspondence, and working with appeals cases and; (3) testing a sample of the caseload to determine the correctness of grant and to review eligibility.

We recommend the elimination of seven public assistance I positions at a savings of \$44,520.

These positions are currently vacant and no attempt is being made by the department to fill them.

During the fiscal year 1959-60, the Department of Social Welfare abolished six public assistance specialist I positions (program specialist) to provide funds for four new positions in the director's office.

Department of Social Welfare—Continued

These new positions were established in 1959 with the approval of the Department of Finance, and included a staff assistant to the director, a special projects supervisor and two clerks. They were established as the result of the departmental management survey completed in 1959 by the Organization and Cost Control Division of the Department of Finance referred to before. Although these were new positions, they appeared in the 1960-61 budget as existing positions, thus were not subject to legislative review as Proposed New Positions. Our analysis in 1960-61 pointed out that if positions are established during a current year, they should be shown as Proposed New Positions in the next budget year.

It appears that the Department of Social Welfare was able to have new positions established without legislative review as Proposed New Positions by finding funds to finance them through the abolishment of vacant positions. This is not good budgeting practice because new programs or services can be added or present services extended without prior review by the Legislature. Since no attempt is being made to fill these seven public assistance specialist positions, we are recommending their elimination.

The Department is requesting the following 16.7 new positions for its area offices:

PROPOSED NEW POSITIONS 1961-62						
Position	No. of Positions	Cost	Workload	Basis	Recommendation	
				Extension of Services	Approve	Eliminate
Bureau						
Adoptions:						
Child welfare						
Specialist I -----	3	\$19,080	\$19,080	--	\$6,360	\$12,720
Clerical:						
Intermediate						
typist-clerk -----	3	11,700	11,700	--	11,700	--
Licensing:						
Child welfare						
specialist II -----	2	14,016	14,016	--	14,016	--
Child welfare						
specialist I -----	1	6,360	6,360	--	--	6,360
Medical Services:						
Medical program						
consultant I -----	0.7	10,046	10,046	--	10,046	--
Medical social work						
consultant II -----	2	17,793	--	\$17,793	17,793	--
Public assistance						
specialist III -----	1	8,940	--	8,940	8,940	--
Medical social work						
consultant I -----	2	14,016	14,016	--	14,016	--
Intermediate						
stenographer-clerk -	2	8,184	8,184	--	8,184	--

Proposed new positions for community welfare services will be discussed by: (1) positions which are being recommended for approval as budgeted; and (2) positions for which we are recommending elimination.

Department of Social Welfare—Continued

Recommendation—Approval

3	Intermediate typist-clerks (budget page 616, line 69) -----	\$11,700
2	Child welfare specialist II (budget page 616, line 71) -----	14,016
0.7	Medical program consultant I (budget page 616, line 74) --	10,046
2	Medical social work consultant II (budget page 616, line 75) -----	17,793
1	Public assistant specialist III (budget page 616, line 76) --	8,940
2	Medical social work consultant I (budget page 616, line 77) -----	14,016
2	Intermediate stenographer-clerks (budget page 616, line 78) -----	8,184

Two medical-social work II and one public assistance II positions, have been approved on a year to year basis since 1959-60, and are currently proposed for permanent status. The other positions have been requested on the basis of workload increase by application of yardsticks and appear to be justified on that basis. It is understood that authorized positions will not be filled until the estimated workload increase materializes.

We recommend approval of the above 7.7 professional and five clerical positions.

Recommendation—Elimination

3	Child welfare specialist I (budget page 616, line 67) -----	\$19,080
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These positions are requested to work with independent adoptions.

We recommend that two child welfare specialist I positions be eliminated and one approved at a savings of \$12,720.

There are currently 34 authorized child welfare specialist I's performing adoption functions out of the area offices. Of these positions, eleven have been authorized to work with inter-country adoptions, 22 were justified by the application of approved yardsticks to estimated workload increases for independent adoptions, and one position was transferred from Contra Costa County. Following is the application of the yardsticks to projected workload increases as estimated by the Department of Social Welfare, for 1961-62.

1961-62				
	Estimated workload	Yardstick man months per unit	Man months	Posi- tions
Independent adoption court reports completed -----	2,020	.13	262.6	21.9
Services to other agencies -----	595	.033	19.6	1.6
Total positions needed -----	--	--	--	23.5
Current positions authorized for independent adoptions -----				22.0
Positions transferred from Contra Costa County -----				1.0
Proposed new positions -----				3.0
Total positions authorized or requested -----				26.0
Less positions needed -----				23.5
Excess positions -----				2.5

Department of Social Welfare—Continued

Since, by the application of the department's yardstick to the department's workload estimates, 24 and not 26 positions will be required for independent adoptions in 1961-62, we recommend the elimination of two of the proposed three new child welfare specialist I positions.

1 Child welfare specialist I (budget page 616, line 72) ----- \$6,360

Child welfare specialist I positions in the Licensing sections of the area offices supervise, consult and license day nurseries.

We recommend the elimination of one proposed child welfare specialist I position at a savings of \$6,360.

There are a total of 27 authorized positions at the present time, of which 19 percent or five were not filled as of December 1, 1960. Two of the vacancies represent positions which were granted two years ago in the 1959-60 budget. The estimated workload projection which was used to justify the positions did not materialize in 1959-60, and in fact, as of December 1960 the two positions have still not yet been established.

Following is the yardstick which is used to justify child welfare specialist I positions to work with day nurseries.

One position for each 58.3 day nurseries licensed and renewals pending at the beginning of the budget year.

One position for each 29.9 new applications received during budget year.

Applying the yardsticks to work completed in the fiscal year 1959-60 and estimated to be completed in 1960-61 shows that in 1959-60, 21 filled positions did the work that the yardstick justified for 25 positions.

Actual work completed	1959-60		Positions
	Day nurseries	Yardstick	
Licensed and renewals pending at the beginning of the year-----	964	58.3	16.54
New applications received-----	250	29.9	8.36
Yardstick justification—positions ----	--	--	24.90
Actual positions filled-----	--	--	21
Estimated workload	1960-61		Positions
	Day nurseries	Yardstick	
Licensed and renewals pending at the beginning of the year-----	1,006	58.3	17.26
New applications estimated to be received	270	29.9	9.03
Yardstick justification—positions ---	--	--	26.29
Actual positions filled as of December 1, 1960-----	--	--	22

Because of the apparent significant variance between positions justified by the yardstick and positions actually filled and doing the work, we feel that no new positions of child welfare specialist I for licensing should be approved until the accuracy of the yardstick has been re-investigated and modified to reflect actual working requirements.

Management Services

This section is responsible for general administrative services to the department and co-ordination of public assistance and other welfare funds between the federal government, the counties and the State.

Department of Social Welfare—Continued

Besides a fiscal office, it includes bureaus for management analysis, research and statistics, personnel services and training.

Salaries and Wages

The Management Services Section contains 13.5 of the 18.9 proposed new positions requested to effectuate legislation proposed by the Governor. These proposed positions constitute new services and will be discussed in a separate section at the end of this analysis. This Management Services Section currently has 240.1 authorized positions.

Operating Expenses

All equipment and operating expenses for the Department of Social Welfare, with a few exceptions, are included under the Management Services Section. Operating expenses budgeted for 1961-62 total \$1,120,418, an increase of \$41,185 or 3.8 percent over the \$1,079,233 estimated to be expended in 1960-61.

Traveling—In state (budget page 618, line 48) ----- \$236,763

This item includes in-state travel for all of the department except those connected with the Prevention of Blindness Program.

We recommend that in-state traveling be reduced to \$208,438 for a savings of \$28,325.

In-state traveling has been over-estimated in past years. Proposed expenditures for the fiscal years 1958-59 and 1959-60 exceeded actual expenditures by an average over estimation of \$33,184 for each of the two years, as shown by the following table:

Traveling—In-State			
Year	Proposed	Actual	Over estimate
1958-59-----	\$199,330	\$158,390	\$39,940
1959-60-----	202,639	176,210	26,429
Total over estimate for 1958-59 and 1959-60-----			\$66,369
Average over-estimate for the two years-----			33,184

Since there has been little increase in travel costs since July 1959, and since the Department of Finance price letter anticipates only minor cost increases for in-state travel for 1961-62, a realistic estimate of in-state travel needs for 1961-62 can be calculated by adding to the 1959-60 actual expenditures figure of \$176,210, an allowance for the authorized new positions in 1960-61 and proposed new positions in 1961-62, which will be traveling, as well as an allowance for anticipated minor price increases.

A total of 299 positions traveled in 1959-60 at an average annual cost per person of \$589, computed as follows:

	Actual cost	Persons traveling	Cost per person
1959-60-----	\$176,210	299	\$589

There were 14 new professional positions authorized in 1960-61 and 29 new professional positions have been proposed for 1961-62, for a total of 43 new positions which could travel in 1961-62 in addition to the 299 actually traveling in 1959-60. We anticipate actual costs for in-state travel to be as follows:

Department of Social Welfare—Continued

	<i>Persons traveling</i>	<i>Cost per person</i>	<i>Actual cost</i>	<i>Anticipated cost</i>
1959-60.....	299	\$589	\$176,210	--
1960-61.....	313	589	--	\$184,357
1961-62.....	342	589	--	201,438

It is interesting to note that if the \$201,438 calculated on this basis to be expended for in-state travel in 1961-62 is subtracted from the \$236,763 proposed by the department, the difference is \$35,325, or almost the same amount as the average over-estimate of actual to proposed expenditures in the years 1958-59 and 1959-60.

Although this item is over-estimated by approximately \$35,000, some allowance should be made for minor price increases and for unexpected developments. We are allowing \$7,000 for such purposes and are recommending a reduction in in-state travel of \$28,325.

Traveling—Out-of-state (budget page 618, line 49) ----- \$8,670

This item includes 22 out-of-state trips for the director, deputies, and division and bureau chiefs.

We recommend reducing out-of-state travel to \$6,170 for a savings of \$2,500.

The number of out-of-state trips being requested for 1961-62 is much higher than in recent years. In 1959-60 approximately 13 trips were taken at a cost of \$5,665. For 1961-62, 22 trips are proposed for \$8,670.

Justifications which have been given for proposed trips indicate an interest by the Department to obtain information concerning the administration of public welfare. Since California is recognized as having an excellent Department of Social Welfare, comparatively speaking, it seems that our personnel would probably be giving more information than they received.

Actual expenditures for out-of-state travel for the years 1956-57 to 1959-60 reflect the increasing emphasis on out-of-state travel:

1956-57	\$3,332
1957-58	3,079
1958-59	4,207
1959-60	5,665

Reducing this item to \$6,170 would still allow enough for about 16 trips, or six less than the department is proposing, but more than are scheduled for the current year.

Program Development

This section includes the Division for the Blind, the Division of Child Welfare, the Division of Social Security and the Division of Medical Care. These divisions and their bureaus study the programs which are either supervised or directly administered by the State Department of Social Welfare. They develop the rules and regulations which are approved by the Social Welfare Board and it is these divisions which contain most of the professional social workers in the Department of Social Welfare.

Salaries and Wages

There are 70.9 authorized positions under Program Development, over 60 percent of which are professional classifications. A total of 5.4

Department of Social Welfare—Continued

new positions are being proposed for new services in connection with legislation being proposed by the Governor. These 5.4 proposed new positions are discussed in the separate section below.

Operating Expenses

Although primary operating expenses are reported under Management Services, some special expenses such as the Prevention of Blindness Program, allowances for scholarships and special projects, are reported as operating expenses under Program Development.

Requests for these items for 1961-62 total \$490,959, which represents a \$34,070 or 7.5 percent increase over the \$456,889 estimated to be expended in 1960-61. This increase occurs as the result of an estimated 10.2 percent increase in the caseload and a 6.6 percent increase in hospital charges for the Prevention of Blindness Program.

Proposed New Positions for New Services
Related to Proposed Legislation

The Department of Social Welfare has budgeted \$169,100 (\$93,005 state and \$76,095 federal funds), to initiate the implementation of proposed legislation which offers new services. Proposed legislation is budgeted to become effective January 1, 1962, and the related increases in administrative costs for the fiscal year 1961-62 may be broken down in the following manner:

Salaries and Wages—18.9 positions	\$129,846
Contributions to State Employees' Retirement Fund	10,147
Less salary savings	(5,193)
Total net salaries and wages	\$134,800
Operating Expenses	17,500
Equipment	16,800
Total	\$169,100

The 18.9 proposed new positions are located in the budget as follows:

1	Intermediate account-clerk (budget page 618, line 18)	\$1,950
1	Accounting technician II (budget page 618, line 21)	2,256
	(Both of the above positions are to be effective, January 1, 1962.)	
0.5	Temporary help (budget page 618, line 25)	2,500
2	Senior social welfare research technician (budget page 618, line 27)	19,704
1.5	Associate social welfare research technician (budget page 618, line 29)	12,168
1	Intermediate steno-clerk (budget page 618, line 31)	4,092
1	Intermediate typist-clerk (budget page 618, line 32)	3,900
2	Training officer I (budget page 618, line 34)	16,224
2.5	Public assistance specialist III (budget page 618, line 35)	19,320
1	Intermediate stenographer-clerk (budget page 618, line 36)	4,092

Department of Social Welfare—Continued

1	Public assistance specialist IV (budget page 620, line 43)	\$8,940
1	Medical Social Work Consultant II (budget page 620, line 44)	7,728
1	Intermediate steno-clerk (budget page 620, line 45)	4,092
0.4	Temporary help—medical consultation (budget page 620, line 46)	5,000
2	Public assistance specialist (budget page 620, line 49)	17,880
<hr/> 18.9		<hr/> \$129,846

According to the budget, 8.4 of the 18.9 new positions will be needed for the proposed new medical assistance for the aged program, three positions are being requested for new services involving grants for community services for older citizens, and the remaining 7.5 proposed positions will work with administrative assistance programs for county welfare departments. These three new programs, for which legislation is being proposed, are located in the Local Assistance section of the budget, on pages 889 to 991.

We recommend the deletion of the 18.9 proposed new positions from the budget for a reduction of \$129,846.

These 18.9 proposed new positions should not be included in the budget prior to the passage of the legislation authorizing the new services with which the new positions will be working. If the positions are approved at this time, and the budget bill is passed before the legislation authoring the new services, the failure to pass such legislation would not reduce the total appropriation to Social Welfare in the budget bill. Although the budget provides that the positions will not be filled unless legislation relating to the new positions is passed, the positions should not be in the budget until it has been assured that they will be needed, for it ties up funds which could be used for other purposes.

It should also be recognized that legislation which is initially proposed may be amended to the degree that the positions in the budget do not reflect the true needs of the department.

If the proposed legislation passes expeditiously the actual needs of the department may be added to the budget bill by augmentation. If the passage of the proposed legislation is delayed until after the passage of the budget bill, the administrative costs budgeted here can be included in the legislation itself.

The number of positions being requested for the particular services being proposed appear to be the minimum number required for the services which have been described in the budget. Since these are new services, however, as these new programs grow, the needs for additional positions will increase.

Until it is known whether funds will be appropriated for Medical Assistance for the Aged, grants for community services for older citizens, and administrative assistance programs for county welfare departments, and until it is known what the final form of such legislation will be, it appears to be unnecessary to appropriate funds for the administrative expenses of these proposed programs.

CITIZENS' ADVISORY COMMITTEE ON AGING

ITEM 258 of the Budget Bill

Budget page 622

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

Amount requested	\$50,854
Contribution to State Employees' Retirement System	2,463
Total	\$53,317
Estimated to be expended in 1960-61 fiscal year	53,009
Increase (0.5 percent)	\$308
TOTAL RECOMMENDED REDUCTION	\$16,204

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Salaries and Wages			
1 specialist	\$9,384	622	67
1 clerk	4,980	622	69
Operating Expenses			
Traveling—in-state—commission	1,040	622	78
Traveling—out-of-state—commission	800	622	79

GENERAL SUMMARY

The legal basis for the Citizens' Advisory Committee on Aging is found in Chapter 4 of Division 3 of the Welfare and Institutions Code, which was added by Statute in 1956. The committee is composed of eight citizens appointed by the Governor, plus two Senators and two Assemblymen appointed by their respective houses. The responsibility of the committee, according to Section 2370 of the Welfare and Institutions Code, is to advise the Governor on problems of the aging.

Full-time staff support is provided for the committee, which meets four times a year, and currently includes an executive secretary, a specialist on problems of the aging, and two clerical positions.

ANALYSIS

Proposed expenditures for the fiscal year 1961-62 total \$53,317 or a 14 percent decrease from the \$62,014 estimated to be expended in 1960-61. However, the 1960-61 fiscal year expenditures include \$9,005 of nonrecurring federal funds which represent the final expenditure of an original \$15,000 federal grant to the committee in 1959 to prepare for the White House Conference on Aging, to be held in January, 1961. There is an actual proposed increase in General Fund support for the Citizens' Advisory Committee on Aging from \$53,009 estimated to be expended in 1960-61 to \$53,317 for the fiscal year 1961-62, which is an increase of \$308 or 0.5 percent.

Salaries and Wages

This agency proposes to continue the four full-time positions authorized for the current year in its 1961-62 budget year at a cost of \$30,518.

Services provided by this agency may be divided into two sections: (1) services performed by the committee; (2) services provided by the four full-time staff positions.

- 1 Specialist on problems of the aging (budget page 622, line 67) \$9,384
- 1 Intermediate stenographer-clerk (budget page 622, line 68) .. 4,980

Citizens' Advisory Committee on Aged—Continued

These two positions perform an undeterminable percentage of the services provided by the staff. Current staff services include: (1) publication of a quarterly newsletter, (2) maintenance of a growing library of books, periodicals and pamphlets, (3) maintenance of an information center and clearinghouse, (4) professional consultation for the development of programs and local committees on aging. All of these functions serve local communities by request. (5) The staff also provides professional and clerical support for the committee which meets four times a year.

We recommend the deletion of one specialist and one stenographer-clerk at a savings of \$14,364.

The legal directive for the citizens' advisory committee is found in Section 2370 of the Welfare and Institutions Code, which states:

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

The committee is composed of some of the State's foremost authorities on problems of the aging and should require little more than clerical services in order to perform the function of advising the Governor. We believe that one professional position, the executive secretary, is justified as a communications link between the Governor and the committee, and that also the committee and the executive secretary should have clerical assistance in the form of an intermediate stenographer-clerk.

Since the current services performed by the staff for local communities are clearly controllable, and since the present staff workload would appear to exceed the legislative intent as to the chief function of the committee, which is to advise the Governor, we recommend a 50 percent reduction in the staff from four positions to two.

Operating Expenses

Proposed operating expenses for 1961-62 are budgeted at \$20,336 which is a \$515 (2.5 percent) increase over the \$19,821 estimated to be expended in the 1960-61 fiscal year.

Commission traveling, in-state (budget page 622, line 77)----- \$2,600
Commission traveling, out-of-state (budget page 622, line 78)-- 1,600

Citizens' Advisory Committee on Aged—Continued

In-state traveling by the commission provides for transportation and expenses incurred in connection with their quarterly meetings. The committee believes it will need out-of-state travel allowance for post White House Conference work.

We recommend a reduction in in-state travel of \$1,040 and in out-of-state travel of \$800 for a total reduction in travel costs of \$1,840.

Specific detailed justification of how the requested funds are to be utilized has not been provided by this agency which has a past history of gross overestimates for travel, as compared to actual expenditures. The following two tables illustrate that less than 50 percent of the proposed in-state and out-of-state travel allowances proposed for the three-year period from 1957-58 to 1959-60 were actually utilized.

Commission Traveling—In-State

<i>Fiscal year</i>	<i>Proposed expenditures</i>	<i>Actual expenditures</i>
1957-58 -----	\$2,400	\$884
1958-59 -----	2,400	994
1959-60 -----	2,400	1,297
1960-61 -----	2,400	
1961-62 -----	2,600	

Commission Traveling—Out-of-State

<i>Fiscal year</i>	<i>Proposed expenditures</i>	<i>Actual expenditures</i>
1957-58 -----	\$800	\$331
1958-59 -----	400	—
1959-60 -----	400	425
1960-61 -----	3,200*	
1961-62 -----	1,600	

* White House Conference on Aging.

If the requested amounts are reduced in accordance with our recommendation the commission will still have \$1,560 available for in-state travel and \$800 for out-of-state travel. These remaining amounts are still in excess of any requirements which this agency has experienced in the last three actual years.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 259 of the Budget Bill

Budget page 624

FOR SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS
FROM THE GENERAL FUND

Amount requested -----	\$578,607
Contribution to State Employees' Retirement System -----	37,643
Total -----	\$616,250
Estimated to be expended in 1960-61 fiscal year -----	591,639
Increase (4.2 percent) -----	24,611

TOTAL RECOMMENDED REDUCTION ----- \$1,995

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
Equipment -----	\$1,995	625	39