

Local Assistance
Subventions for Education
CHILD CARE CENTERS

ITEM 395 of the Budget Bill

Budget page 1018

FOR SUPPORT OF CHILD CARE CENTERS
FROM THE GENERAL FUND

| | |
|---|-----------------|
| Amount requested | \$5,881,666 |
| Estimated to be expended in 1961-62 fiscal year | 4,947,851 |
| Increase (18.9 percent) | \$933,815 |
| TOTAL RECOMMENDED REDUCTION..... | \$46,613 |

Summary of Recommended Reductions

| | Amount | Budget Page | Line |
|--|----------|----------------|------|
| Pilot projects for physically handicapped..... | \$46,613 | 1018 | 61 |

ANALYSIS

Child care centers provide state-subsidized care and supervision for the children of certain persons legally defined as eligible on the basis of need. State financial support for the operation of these centers is intended to provide two-thirds of their operating costs; fees paid by parents are expected to provide the remainder. Expressed as a unit cost, state support is measured in terms of approximately \$0.28 per attendance hour; parental fees are the equivalent of approximately \$0.14 per attendance hour. Both of these figures were revised upward during the 1961 General Session.

Chapter 2096, Statutes of 1959, authorized the establishment of pilot projects in child care centers for physically handicapped and mentally retarded children. Support for these activities was revised by Chapter 2141, Statutes of 1961, so that state sources provide approximately \$0.52 per attendance hour, while revenues from parental fees are now set at the \$0.14 level of the regular program.

The 1962-63 requested appropriation for child care centers is \$5,881,666. This is an increase of \$933,815 over the 1961-62 appropriation. Of this increase, \$433,271 is intended to be applied towards the deficit incurred in 1961-62. In years when expenditures of General Fund money exceed the amounts appropriated, Education Code Section 16622 permits the deficit to be added to the following year's appropriation. The changes in state support affected by the fee revisions noted above have meant that the funds appropriated for 1961-62 were not sufficient; therefore, the deficit will be made up in the increased 1962-63 appropriation. Absorption of the increased support for 1961-62, plus accommodation in 1962-63 for the same level of activity, has accounted for \$866,542 of the increased appropriation request. The remaining sum, \$67,273, is requested on the basis of the increase in the total attendance hours anticipated for the budget year, an increase of approximately 0.8 percent.

We recommend the reduction of \$46,613 from this item. This amount has been available in the 1960-61 and 1961-62 child care center budgets to provide the state share of the costs of the pilot projects for handicapped children. None of the money was used during 1960-61 for a pilot

Subventions for Education—Continued

project, and this was explained as the result of too little state support and too high parental fee requirements. The 1961 Legislature permitted the doubling of state support; it was then anticipated that instead of four pilot project centers as originally contemplated the same General Fund support could be applied to two centers. We understand that since this change only one center has been established. We believe that the failure to participate is a sound reason for considering that the provision of \$46,613 in the 1962-63 budget for pilot project purposes is not justified. We feel that this performance indicates that there is not sufficient interest in this sort of special undertaking even with the State support doubled from its original level.

This recommendation is made as an interim recommendation capable of being acted upon by the Legislature at a budget session. We further recommend that the Legislature at the 1963 Session consider legislation terminating the pilot project authorization.

Subventions for Education
STATE TEACHERS' RETIREMENT SYSTEM

ITEM 396 of the Budget Bill

Budget page 1019

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

| | |
|---|--------------|
| Amount requested | \$43,000,000 |
| Estimated to be expended in 1961-62 fiscal year | 41,236,000 |
| Increase (4.3 percent) | \$1,764,000 |

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

The State Teachers' Retirement System does not maintain full reserves against actuarially determined liabilities. The \$43,000,000 requested is the amount of the State's estimated obligation to pay retirement benefits for services performed over past years. The total amount estimated to be spent during 1962-63 is as follows:

| | |
|--|--------------|
| Retirement allowance | \$79,533,000 |
| Death benefits | 2,600,000 |
| Survivors benefits | 375,000 |
| Subventions to local retirement systems | 2,050,000 |
| Total expenditures (Teachers' Retirement Fund) | \$84,558,000 |

The sources from which the above amount is obtained are as follows:

| | |
|---|--------------|
| Transfer from General Fund (Budget Act appropriation) | \$43,000,000 |
| Prior year balance available | 1,614,504 |
| Total State contributions (General Fund) | \$44,614,504 |
| Unrestricted reserves | 375,000 |
| Employer contributions | 31,118,000 |
| Member contributions | 8,450,496 |
| Total expenditure | \$84,558,000 |

We recommend approval of the item as submitted.

Subventions for Education
FREE TEXTBOOKS

ITEM 397 of the Budget Bill

Budget page 1023

FOR SUPPORT OF FREE TEXTBOOKS
FROM THE GENERAL FUND

| | |
|---|--------------------|
| Amount requested | \$9,391,250 |
| State employees' retirement | 4,500 |
| State employees' health and welfare | 1,170 |
| Total | \$9,396,920 |
| Estimated to be expended in 1961-62 fiscal year | 7,273,993 |
| Increase (29.2 percent) | \$2,122,927 |
| TOTAL RECOMMENDED REDUCTION | \$404,725 |

Summary of Recommended Reductions

| | <i>Amount</i> | <i>Budget</i> | |
|--|---------------|---------------|-------------|
| | | <i>Page</i> | <i>Line</i> |
| Operating expenses, printing textbooks | \$404,725 | 1026 | 12 |
| Teachers' editions (\$84,725) | | | |
| Conservation text (\$320,000) | | | |

ANALYSIS

The State provides free textbooks to California public schools, grades one through eight. For 1962-63 the budget includes \$9,396,920 for these books, an increase of \$2,122,927 (29.2 percent) over the 1961-62 expenditure.

The statutes specify subjects for which basic textbooks must be furnished. The Board of Education may authorize basic and supplementary textbooks other than those specified in the statutes. All adoptions made by the board are based upon recommendations submitted by the State Curriculum Commission. Books may be adopted for a period of four to eight years. A book may then be readopted for a period of one to four years. A textbook, therefore, may be used for as few as four years or as many as twelve years. The Board of Education also determines the distribution ratios and the grades in which all adopted textbooks are to be used.

Recent Adoptions

The State Board of Education has recently adopted textbooks for fifth and eighth grade social studies, including both basic and supplementary textbooks for inclusion in the 1962-63 Budget. Of the 12 titles adopted, it is proposed that seven will be printed and bound by the State Printing Plant at a cost of \$1,374,660 for the first year. The remaining five titles will be purchased from private publishers at a first year's cost of \$2,469,329. The budget request for these new adoptions is approximately \$200,000 less than the original bid estimates as a result of the inclusion in the Budget Bill of restrictive language which is designed to follow the legislative limitation in the 1960 Budget Act. The Department of Education has begun renegotiations with the respective book publishers to align the publishers' earlier bids with the restrictive provision. The total amount budgeted for the new fifth and eighth grade adoptions is \$3,843,989. This figure does not include royalty

Free Textbooks—Continued

payments for books printed in the State Printing Plant since royalties are paid the year in which textbooks are distributed, rather than when the textbooks are printed.

An additional sum in the amount of \$3,939,851 is budgeted for a two-year reprinting and purchasing program of other textbooks for a grand total for printing and purchasing of \$7,783,840. This amount plus \$1.3 million in royalties for books to be shipped in 1962-63 and operating expenses of \$295,861 result in a budget request of \$9,391,250 before retirement and health and welfare contributions.

Teachers' Manuals and Teachers' Editions

It is recommended that the budget for teachers' manuals be reduced by \$84,725. This reduction can be realized by binding all supplementary teachers' editions in paperbacked covers rather than clothbacked covers. Paperbacked textbooks are presently being used to limited degrees in California public schools. Paper covers are being applied to consumable workbooks, teachers' manuals, and certain basic and supplementary material. We believe that there are other areas in which paperbacked textbooks can be used effectively with a savings to the State. One such area of savings is the use of paperbacked supplementary teachers' editions. Presently, the State distributes teachers' editions and teachers' manuals to accompany basic and supplementary textbooks. While the teachers' manuals are usually paperbacked, all teachers' editions (a volume which combines the text and the teachers' manual) are being bound in hardbacked covers. For example, under the new social studies adoption, a teacher will have at her disposal as guides for teaching eighth grade history and civics: three teachers' editions, two teachers' manuals, and one unaccompanied textbook. While the basic textbooks probably will be used daily, supplementary material will be used only periodically. Since all of these guides cannot be used continually, the wear will be reduced proportionately. It is, therefore, our belief that supplementary teachers' editions bound with paperbacked covers will be quite serviceable.

The 1962-63 budget includes approximately \$281,929 for the purchase and the printing of 33 teachers' editions. This office believes that at least 26 of these titles could be distributed with paperbacked covers. These 26 titles are all supplementary teachers' editions; all basic teachers' manuals are excluded. An estimated savings of from 30 to 47 percent (\$84,725) can be made, depending upon whether the books are state-printed or purchased. Since some of the titles are purchased, rather than state printed, the respective publishers must be willing to furnish the editions in paperbacked covers. Since the publishers participating in this adoption presently are distributing paperbacked editions to many of their other customers, we believe that this is practicable. Besides the stated savings, valuable information will be obtained that can be used in evaluating the advantages and disadvantages of extending the use of paperbacked textbooks to other titles included in future textbook budgets.

Free Textbooks—Continued

Conservation Textbook, *Our California Heritage*

It is recommended that the budget be further reduced by \$320,000. This amount has been requested to provide for the printing and the binding of 200,000 copies of *Our California Heritage*, a textbook on conservation, intended eventually to be distributed in California public schools. For the last 10 years the book has been in various stages of completion. This textbook is being written by the Department of Education under the direction of the State Curriculum Commission. The book has been presented to the commission several times, but in each case has been returned to the Department of Education for revision. The draft is still not in final form.

Fund requests for this textbook have appeared in three previous budgets and it is assumed that the Department of Education had believed that the book would be completed in each of the three corresponding years. The 1962-63 Budget is confronted with the identical situation. Funds are being requested but the book has not been completed, recommended, or adopted. We believe that when this textbook has been completed by the Department of Education, recommended by the State Curriculum Commission, and approved by the State Board of Education, a request for the appropriate funds for the printing and the binding of the textbook should be made. As long as this book is in the "tentative" stage, funds should not be appropriated.

The two recommended reductions of \$84,725 and \$320,000 result in a total recommended reduction of \$404,725 in this budget.

Subventions for Education**VOCATIONAL EDUCATION: REIMBURSEMENTS TO SCHOOL DISTRICTS**

ITEM 398 of the Budget Bill

Budget page 1027

FOR SUPPORT OF VOCATIONAL EDUCATION: REIMBURSEMENTS TO SCHOOL DISTRICTS FROM THE GENERAL FUND

| | |
|---|-----------|
| Amount requested | \$230,271 |
| Estimated to be expended in 1961-62 fiscal year | 195,762 |
| Increase (17.6 percent) | \$34,509 |

| | |
|--|-------------|
| TOTAL RECOMMENDED REDUCTION | None |
|--|-------------|

ANALYSIS

Subventions to local secondary school districts are made from General Fund and federal monies. After the costs of state-level vocational education operations have been deducted from the total appropriated from these two sources, the balances are distributed to secondary school districts for supervision and teacher training provided the recipient districts are maintaining approved vocational education courses in agriculture, homemaking, business and industrial education. State-level operations have been discussed elsewhere in this analysis of the budget bill.

For 1962-63 the General Fund support of these subventions is 17.6 percent higher than the estimated 1961-62 expenditure of \$195,762.

Vocational Education: Reimbursements to School Districts—Continued

This increase may be attributed to two factors. The first of these is the introduction of federal participation in the support of employee retirement and health and welfare contributions. This has permitted some of the General Fund money previously required for state-level operations to be released for expenditure as subventions. Secondly, computations of the total amount of federal support for California's Vocational Education are made on the basis of the overall vocational education program, rather than in terms of state-level operations and local reimbursement budgets; therefore the degree of federal participation in either of these two parts of the program is capable of adjustment and reassignment. There has been such a reassignment of the employment of federal funds at the state level in connection with matching requirements of the various federally supported activities included within the state-level operations; this, too, has permitted the release of General Fund money for subventions by increasing the proportion of federal-to-state money represented in the state-level operations.

Department of Mental Hygiene**ASSISTANCE TO LOCAL AGENCIES FOR MENTAL HEALTH SERVICES**

ITEM 399 of the Budget Bill

Budget page 1030

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

| | |
|---|------------------|
| Amount requested | \$3,300,000 |
| Estimated to be expended in 1961-62 fiscal year | 3,030,500 |
| Increase (8.9 percent) | \$269,500 |
| TOTAL RECOMMENDED REDUCTION | \$500,000 |

Summary of Recommended Reductions

| | | Budget | |
|----------------------------|---------------|---------------|-------------|
| | Amount | Page | Line |
| Reduce appropriation | \$500,000 | 1030 | 58 |

ANALYSIS

This subvention, commonly known as the Short-Doyle program, was initiated in 1958. Under Short-Doyle, the State and local communities each provide one-half the support costs for any two or more of five different services to the community. These services consist of inpatient, outpatient, rehabilitation, education and consultation. The Department of Mental Hygiene is the State's administrator for the Short-Doyle program.

In view of the agency's consistent practice to overbudget for the Short-Doyle program, we recommend that the amount requested be reduced by \$500,000 and a total of \$2,800,000 be authorized for the 1962-63 fiscal year.

The following table indicates the extent to which State Short-Doyle expenditures have fallen short of the department's annual requests:

Assistance to Local Agencies for Mental Health Services—Continued

| | 1957-58 | 1958-59 | 1959-60 | 1960-61 | 1961-62 | 1962-63 |
|--------------------------|-----------|-------------|-------------|-------------|-------------|-------------|
| Department request ----- | \$786,000 | \$1,900,000 | \$3,024,700 | \$2,844,775 | \$3,130,500 | \$3,300,000 |
| Amount approved ----- | 786,000 | 1,600,000 | 2,485,190 | 2,844,775 | 3,130,500 | - |
| Total expended ----- | 37,083 | 510,762 | 1,204,242 | 2,142,882 | - | - |

Difference between
department request
and total expended \$748,917 \$1,389,238 \$1,820,458 \$700,893

We first cited this policy of overbudgeting for the Short-Doyle program in our analysis of the 1960-61 budget request. At that time we stated that "a reduction in the amount requested of \$344,775 and authorizing \$2,500,000 for this program would seem much more in line with growth trends in the program." However, at the insistence of the agency the requested amount was approved on the basis that the agency would need and use the entire appropriation to support the Short-Doyle program. The above table illustrates the department's inability to fulfill this commitment.

Even if our recommended reduction of \$334,775 had been approved, the agency still would have had an unexpended balance of \$366,118 for the Short-Doyle program during fiscal year 1960-61. In other words, our recommended reduction was less than one-half of the ultimate unexpended balance.

It is difficult to understand the basis on which the agency continues to overestimate Short-Doyle program expenditures. In the current budget request, we note that now the department re-estimates 1961-62 state expenditures of \$3,030,500 for Short-Doyle. This estimated figure is computed annually and should be fairly accurate, since the computation is made with actual expenditures for almost one-half of the fiscal year available. However, as the following table indicates, the department's estimates for this amount have greatly exceeded actual expenditures.

| | 1957-58 | 1958-59 | 1959-60 | 1960-61 | 1961-62 |
|--|-----------|-------------|-------------|-------------|-------------|
| (1) Amount originally approved ----- | \$786,000 | \$1,600,000 | \$2,485,190 | \$3,130,500 | \$3,130,500 |
| (2) Amount Re-estimated for Expenditure* ----- | 786,000 | 1,230,000 | 1,881,300 | 2,844,775 | 3,030,500 |
| (3) Actual Expenditure --- | 37,083 | 510,762 | 1,204,241 | 2,142,822 | - |
| (4) Amount of agency's overestimate difference between (2) and (3) ----- | 748,917 | 719,238 | 677,059 | 701,953 | **717,777 |

* Released after approximately one-half of the fiscal year has elapsed.

** Estimate computed by this office and based on average agency overestimate for prior four fiscal years.

In view of the agency's consistent inability to utilize its Short-Doyle appropriation, a reduction of \$500,000 in the current request is warranted.

On the basis of prior experience, this will still leave the agency with a projected \$200,000 surplus.

**Department of Public Health
CRIPPLED CHILDREN SERVICES**

ITEM 400 of the Budget Bill

Budget page 1031

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

| | |
|---|-----------------|
| Amount requested | \$7,484,731 |
| Estimated to be expended in 1961-62 fiscal year | 6,465,269 |
| Increase (15.7 percent) | \$1,019,462 |

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

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

An amount of \$7,484,731 is requested from the General Fund for this item. This represents an increase of \$1,019,460, or 15.7 percent, above the \$6,465,269 estimated to be expended on this program during the current year.

There has also been an increase in federal funds, from \$12,000 during the 1960-61 fiscal year to \$184,731 during each of the current and budget years. The federal funds are not included in the budget totals.

A breakdown of the proposed budget for the 1962-63 fiscal year is as follows:

| | |
|--------------------------------|-----------------|
| Treatment | \$5,494,731 |
| Administrative allowance | 540,000 |
| Diagnosis | 1,400,000 |
| Noncounty resident care | 50,000 |
| Total | \$7,484,731 |

The large increase in the cost of this program is primarily due to program growth, particularly in Los Angeles County which will require \$769,462 as the state share of its program. An additional reason for the higher cost is the proposed increase in the unit cost of the surgical fee from \$3.50 to \$4.00. This proposal would add an estimated \$250,000 to the State's share of the cost of the crippled children services program plus an additional \$125,000 to local costs of the program.

The increase in the unit cost of surgical fees is proposed on the basis of establishing "surgical fees in this program at the state level" and because "no increases in prices have been recognized since 1957-58."

This proposed increase in the unit cost of surgical fees would primarily affect the three largest California agencies administering a medical care program; the Department of Public Health (Crippled Children Services Program); Department of Social Welfare (Medical Aid to the Aged Program) and Department of Education (Vocational Rehabilitation Services Program).

Crippled Children Services—Continued

This proposed increase in the unit cost of the surgical fee was not officially endorsed by either the Technical Committee or Medical Fee Steering Committee, which were established to recommend any necessary changes in medical fees.

The Department of Finance authorized the Department of Social Welfare to establish a \$4 unit cost for their surgical fee, effective as of January 1, 1962, in their Medical Aid to the Aged Program. They also provided that if the 1962 Session of the Legislature does not authorize the necessary funds, Social Welfare's \$4 surgical fee will be reduced to \$3.50, as of July 1, 1962, and the Department of Public Health's Crippled Children Program and the Department of Education's Vocational Rehabilitation Program will remain at \$3.50. Our review of this proposal has indicated that there is justification for this increase. However, we believe that in future fee proposals the Department of Finance should take a more active role in the establishment of such fees and the co-ordination of the administration of the medical programs.

During the 1961 Regular Session, the Legislature added to the Budget Act a proposal that "counties with a population of 200,000 operate the program on an independent rather than a dependent basis." As a result, the Counties of San Bernardino, Riverside, Orange and Sacramento are making this shift from dependent to independent status during the current year. Although this has resulted in an increase of \$40,000 in the administrative allowance which has to be paid to these four counties, this increase will be approximately offset by consequent savings resulting from reduction of clerical staff in the Bureau of Crippled Children Services. We would suggest that this principle of independent operation be applied to more counties during the next few years as we believe that real benefits can result from more efficient administration at the local level.

We recommend that the department be directed to recommend to the 1962 Regular Session of the Legislature, a plan for the further extension of independent operation to counties with less than 200,000 population.

**Department of Public Health
TUBERCULOSIS SANATORIA**

ITEM 401 of the Budget Bill

Budget page 1031

**FOR ASSISTANCE TO COUNTIES FOR TUBERCULOSIS SANATORIA
FROM THE GENERAL FUND**

| | |
|---|-------------|
| Amount requested | \$3,267,172 |
| Estimated to be expended in 1961-62 fiscal year | 3,691,447 |
| Decrease (11.5 percent) | \$424,275 |

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

Division 4 of the Health and Safety Code provides state grants-in-aid to counties or cities for the treatment and care of persons suffering from tuberculosis. The funds are allocated in accordance with Section

Tuberculosis Sanatoria—Continued

3300 of the code which provides for a graduated subsidy rate of \$2.60 per patient day for the first 36,500 patient days, and \$1.75 for all additional days. The section further states that in addition to the amounts specified for the three categories, there can also be provided any additional amounts specified in any appropriation made thereafter. There have been additional amounts added in the Budget Act for each year since 1954.

We recommend approval of the budget as submitted.

The budget requests \$3,267,172 for this item for the budget year. This is a decrease of \$424,275, or 11.5 percent, from the \$3,691,447 estimated to be expended on this program during the current year.

The requested appropriation is based on the graduated rate in the Health and Safety Code, plus a supplemental rate of \$2.30, an increase of 9 cents over the supplemental amount of \$2.21 which was approved for the current year. Despite the increase in supplemental aid the total expenditure for this program has dropped for the third straight year due to the decreasing incidence of tuberculosis.

Section 3295 of the Health and Safety Code provides for the care of persons suffering from tuberculosis who violate the quarantine or isolation orders of a county health officer. An agreement has been made with the Department of Corrections to care for these persons at the Medical Facility at Vacaville and the Institution for Women at Corona. Included in the budget request is \$62,000 to reimburse the Department of Corrections for an average occupancy of 28 beds.

Department of Public Health

ASSISTANCE TO COUNTIES WITHOUT LOCAL HEALTH DEPARTMENTS

ITEM 402 of the Budget Bill

Budget page 1032

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

| | |
|---|-----------------|
| Amount requested | \$405,567 |
| State employees' retirement | 23,230 |
| State employees' health and welfare | 2,862 |
| Total | \$431,659 |
| Estimated to be expended in 1961-62 fiscal year | 324,085 |
| Increase (33.2 percent) | \$107,574 |
| TOTAL RECOMMENDED REDUCTION | \$30,642 |

Summary of Recommended Reductions

| | Budget | | |
|---|---------|------|------|
| | Amount | Page | Line |
| Assistance to Counties Without Local Health Departments | | | |
| 1 Supervisor of sanitation | \$7,728 | 1032 | 69 |
| 1 Public health nursing supervisor | 7,728 | 1032 | 70 |
| 1 Public health nurse II | 6,060 | 1032 | 72 |
| 1 Assistant health education consultant | 5,496 | 1032 | 73 |
| 1 Junior typist-clerk | 3,630 | 1032 | 75 |

ANALYSIS

The budget proposes an expenditure of \$431,659 for assistance to counties without local health departments for the 1962-63 fiscal year.

Assistance to Counties Without Local Health Departments—Continued

This is an increase of \$107,574, or 33.2 percent, over that which is estimated to be expended during the current year.

Section 1157 of the Health and Safety Code authorizes the Department of Public Health to furnish local public health services to those counties with a population of less than 40,000 which do not maintain a recognized health department, on the condition that they contribute a minimum of 55 cents per capita. The program is administered by the Bureau of Public Health Contract Services and includes the 12 Counties of Alpine, Amador, Calaveras, El Dorado, Lake, Mariposa, Modoc, Mono, Nevada, Sierra, Trinity, and Tehama.

The budget requests two public health nurses and two area sanitarians for Glenn County and two public health nurses and two sanitarians for Lassen County to provide public health services for these two counties which propose to contract with the State as of July 1, 1962. Also requested are three nurses on the basis of workload increases in El Dorado, Nevada and Tehama Counties. The budget also proposes one additional supervisor of sanitation, a public health nursing supervisor, a health education consultant and a junior typist-clerk. These positions are requested to provide additional supervision and staff for the program which has grown in recent years.

The proposed positions are as follows:

| | |
|--|-----------------|
| 1 Supervisor of sanitation----- | \$7,728 |
| 1 Public health nursing supervisor----- | 7,728 |
| 4 Sanitarian II ----- | 24,240 |
| 7 Public health nurse II----- | 42,420 |
| 1 Assistant health education consultant----- | 5,496 |
| 1 Junior typist-clerk ----- | 3,630 |
| Total ----- | \$91,242 |

In addition to salaries and wages of \$91,242, the proposal also includes related support of \$23,500 and equipment of \$2,729 for a total proposed increased expenditure of \$117,837.

We recommend approval of \$24,240 for four sanitarians II and \$24,240 for four public health nurses II requested on the basis of increased workload.

The above eight positions are requested to serve the needs of two new contract counties, Glenn and Lassen. The staffing of two nurses and two sanitarians has been adopted by the department as meeting the needs of most of the larger contract counties.

We recommend the reduction of \$15,456 requested for one public health nursing supervisor and one supervisor of sanitation.

The department proposes the above positions on the basis that the staff and scope of the program make necessary the decentralization of the supervision of this program.

We recommend disapproval of the request for the public health nursing supervisor and supervisor of sanitation for the following reasons:

1. The Bureau of Contract County Services has recently had Personnel Board approval for the reclassification of several positions and

Assistance to Counties Without Local Health Departments—Continued

has reorganized the supervisory structure of its nursing and sanitation staffs.

a. Currently the existing 15 public health nurses who are located in the 12 contract counties report directly to the one public health nursing supervisor who is located in Berkeley. Under the reorganization four of the 15 public health nurse II positions will be reclassified to a new position, public health nurse III. This will be done in the four counties that are served by two nurses. One position in El Dorado County will also be reclassified to a III level after July 1, 1962.

When Glenn and Lassen Counties enter the program after July 1, 1962, there will most likely be a public health nurse III and a nurse II in each county. In those counties where there is a nurse III and a nurse II, the III level position will supervise the activities of the II position. Thus, with the reorganization, the public health nursing supervisor will directly supervise 12 people rather than the 15 people who have previously been under her direct supervision.

b. The reorganization of the sanitation function is similar to that proposed for the nursing function with the major exception being that the existing supervisor of sanitation will have 11 persons to supervise, rather than the 17 persons he has supervised.

With the adoption of the reorganization as outlined above it appears to us that there will be no need for additional supervisors since the present supervisors now have fewer people to supervise than they did before.

2. The program is near its maximum growth in terms of number of contract counties with 12 counties presently under contract and two more counties proposed for contract as of July 1, 1962. This will leave only Tuolumne and Siskiyou as counties without a recognized health department or contract county services. Tuolumne County will probably request contract health services in the next few years, but Siskiyou, with a current population of 33,600, most likely will not request service due to the fact that its population is approaching the statutory maximum of 40,000. While the contract county health services program will reach its maximum growth with the addition of Tuolumne County, it is expected that El Dorado County will withdraw from the program within the next five years due to its rapid growth. During the past 10 years it has had an 81 percent increase in population and is approaching 40,000. We therefore believe that consideration should be given to the leveling off rather than the growth of this program, especially in terms of the number of supervisors.

3. Each of the contract counties is also served by a part-time health officer who is appointed by and is directly responsible to the county board of supervisors. State personnel, who are locally assigned, are expected to receive their day-to-day instruction from the health officer with their technical direction coming from the supervisory staff of the bureau. We believe that the department has not fully utilized the resources of these local health officers and that such utilization would also minimize the need for much of the present technical direction so that the existing supervisory staff could be more effectively utilized.

Assistance to Counties Without Local Health Departments—Continued

We recommend a reduction of \$5,496 requested for one assistant health education consultant.

The purpose of the contract county program is to provide "basic health services" to those counties under 40,000 population which do not desire to form their own organized health departments. This may be due to fiscal or other problems. The addition of the assistant health education consultant to the program would result in increasing the level of service for this function. The bureau presently has one health education consultant on the staff who provides consultant services.

Any county which desires a higher level of health service may form its own department if it so desires. It should be noted that four counties with populations of well under 40,000 operate their own recognized health departments. These counties and their populations are:

| | |
|------------------|--------|
| Plumas ----- | 11,500 |
| Inyo ----- | 11,700 |
| Colusa ----- | 12,700 |
| San Benito ----- | 15,800 |

We recommend a reduction of \$3,630 requested for one junior typist-clerk.

We recommend disapproval of the junior typist-clerk as part of our recommendation for the disapproval of the proposed positions of supervisor of sanitation, public health nursing supervisor and health education consultant. We believe that this proposed clerical position will not be needed if the aforementioned positions are not authorized.

We recommend approval of \$12,120 for two proposed public health nurses II for El Dorado and Nevada Counties.

We recommend approval of one additional public health nurse for rapidly growing El Dorado County. This county has the largest population, 32,200, of the contract counties. It is served by 1.8 public health nurses with one nurse spending approximately one-fifth of her time serving the public health needs of Alpine County.

We believe that there is a justified workload need for an additional public health nurse for Nevada County. This county is experiencing a fairly rapid growth and is the third largest in terms of population, 22,000, among the contract counties. It is served by 1.5 public health nurses with one nurse spending approximately one-half of her time serving in Sierra County. We believe that there is a justified workload need for an additional public health nurse in this county.

We recommend a reduction of \$6,060 requested for one additional public health nurse II for Tehama County.

Tehama County is the second largest of the contract counties with a population of 26,300, however, it only entered the contract county program as of August 1, 1961. As of the date of this analysis, Tehama County has not received the public health nursing services which are part of this program due to the inability of the department to fill these positions. It is anticipated that these public health nurse vacancies will be filled in the near future. This county is budgeted to be served by two public health nurses who are not assigned to any other county. The public health nurse vacancies should first be filled before any

Assistance to Counties Without Local Health Departments—Continued

consideration should be given to an additional public health nurse for Tehama County. The department has stated that these programs were instituted using a minimum number of nurses and now staff should be increased to provide a "minimum basic health program" in Tehama County. We believe that consideration of an additional public health nurse should only be made on the basis of workload information which is not available at this time.

Department of Public Health

ASSISTANCE TO LOCAL HEALTH DEPARTMENTS

ITEM 403 of the Budget Bill

Budget page 1033

FOR ASSISTANCE TO LOCAL HEALTH DEPARTMENTS
FROM THE GENERAL FUND

| | |
|---|-------------|
| Amount requested | \$3,869,045 |
| Estimated to be expended in 1961-62 fiscal year | 3,869,045 |

| | |
|----------|------|
| Increase | None |
|----------|------|

| | |
|-----------------------------|------|
| TOTAL RECOMMENDED REDUCTION | None |
|-----------------------------|------|

ANALYSIS

State and federal funds are allocated to qualified health departments on a population basis to provide local public health services. These funds are distributed in accordance with the provision of Sections 1100 and 1141 of the Health and Safety Code.

An amount of \$3,869,045 is requested for the budget year. This is the same amount which was allocated in the current year, but due to our increasing state population, the requested allocation will provide a smaller amount per capita.

We recommend approval of the item as budgeted.

The budget request is based on a July 1, 1962, qualified area population estimate of 16,784,300. The allocation is based on a formula of 60 cents per capita per county, or \$16,000 per county, whichever is the lesser, as a basic amount plus 19.277396 cents per capita.

The budget also shows \$1,300,008 in federal funds to be allocated to the local health departments. In addition to these funds an additional \$404,530 in federal funds, which have been made available too late for inclusion in the budget, will be distributed to the counties during the 1962-63 fiscal year. Thus the total federal funds for the budget year will be \$1,704,538. This is an increase of \$606,144, or 55 percent, above the \$1,098,394 which was available from federal funds during the 1960-61 year. While the printed budget states that "grants from federal government and expenditures therefrom are not included in the budget totals," this increase of \$606,144 in federal funds subvented to local health departments represents an increase to local health departments of 3.74 cents per capita when using the state local health department subvention formula as a base.

Department of Public Health

GNAT CONTROL

ITEM 404 of the Budget Bill

Budget page 1034

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

| | |
|---|-----------------|
| Amount requested | \$20,000 |
| Estimated to be expended in 1961-62 fiscal year | 20,000 |
| Increase | None |
| TOTAL RECOMMENDED REDUCTION | \$20,000 |

Summary of Recommended Reductions

| | Amount | Budget Page | Line |
|---|----------|----------------|------|
| Assistance to local agencies for gnat control | \$20,000 | 1034 | 19 |

ANALYSIS

This subvention is allocated to local agencies for research on the control of gnats. The State provides financial assistance for up to 50 percent of the support of approved gnat research program. This subsidy is authorized by Sections 2425 and 2426 of the Health and Safety Code.

The budget proposes \$20,000 for this item for the 1962-63 fiscal year. This is the same amount which is estimated to be expended during the current year.

We recommend deletion of the \$20,000 for assistance to local agencies for gnat control and the discontinuance of this subvention.

While a limited number of gnat research programs are supported with subvention funds, the State is also carrying out gnat research through a \$30,000 General Fund appropriation to the University of California at Riverside.

We believe that any gnat research which the Legislature designates as a state responsibility should be carried out at the University of California at Riverside. The university is the only facility which is adequately equipped and staffed to carry out this type of research and we see no justification for continuing the gnat control subvention program.

Department of Public Health

MOSQUITO CONTROL

ITEM 405 of the Budget Bill

Budget page 1034

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

| | |
|---|------------------|
| Amount requested | \$191,168 |
| State employees' retirement | 6,347 |
| State employees' health and welfare | 720 |
| Total | \$198,235 |
| Estimated to be expended in 1961-62 fiscal year | 195,978 |
| Increase (1.2 percent) | \$2,257 |
| TOTAL RECOMMENDED REDUCTION | \$90,168 |

Mosquito Control—Continued

| Summary of Recommended Reductions | | Budget | |
|--|----------|--------|------|
| | Amount | Page | Line |
| Assistance to local agencies for mosquito control: | | | |
| 12 Vector control specialist----- | \$81,678 | 1034 | 43 |
| Related operating expenses----- | 8,490 | 1034 | 57 |

ANALYSIS

Sections 2425 and 2426 of the Health and Safety Code provide that the State Department of Public Health may enter into co-operative agreements with any local district or public agency engaged in the control of mosquitoes under conditions to be prescribed by the State Department of Public Health.

An appropriation of \$191,168 is requested to provide for assistance to local agencies for mosquito control for the 1962-63 fiscal year. Employee retirement and health benefit costs of \$7,067 are also budgeted.

We recommend a reduction of \$90,168 which includes \$81,678 for 12 vector control specialists and \$8,490 for related operating expenses for assistance to local agencies for mosquito control and discontinuance of the mosquito research program carried out as part of the subvention.

The requested appropriation consists of two major programs, one of which is a mosquito research program carried out by the department and the other a direct subvention to local districts for the reporting of mosquito incidence.

The department is presently carrying out research with an authorized staff of 12 vector control specialists in its Fresno laboratory and in the encephalitis control study center located in Bakersfield. The latter program is conducted in conjunction with the Hooper Foundation of the University of California.

Prior to our 1961-62 *Analysis of the Budget Bill*, we reviewed the effectiveness of the department's research program with a number of mosquito control districts. We also reviewed the mosquito control research program being carried on by the University of California at Riverside. As we reported in that analysis, there is a sharp division of opinion among the various mosquito control districts as to whether the department's program of providing research information materially assists the mosquito abatement districts in carrying out their mosquito control programs. Since the basis of the subvention is to provide "assistance to local agencies for mosquito control" we believe that the results of this mosquito research program do not justify the proposed budget year expenditure of \$90,168 on this activity.

We do agree that mosquito research in this field is necessary. However, the University of California at Riverside is currently expending in excess of \$100,000 annually of state, federal and other funds for mosquito and mosquito related research. The university has the staff, equipment, and facilities to do a more effective research job than the State Department of Public Health, and we further believe this is a proper research area for the university.

The budget also proposes \$101,000 to continue the other part of this program which is a direct subvention to districts for the reporting of mosquito incidence.

Department of Public Health

TREATMENT OF PHYSICALLY HANDICAPPED CHILDREN

ITEM 406 of the Budget Bill

Budget page 1035

FOR ASSISTANCE TO LOCAL AGENCIES FOR TREATMENT
OF PHYSICALLY HANDICAPPED CHILDREN
FROM THE GENERAL FUND

| | |
|---|--------------------|
| Amount requested | \$1,523,351 |
| State employees' retirement | 14,525 |
| State employees' health and welfare | 1,800 |
| Total | \$1,539,676 |
| Estimated to be expended in 1961-62 fiscal year | 1,339,676 |
| Increase (14.9 percent) | \$200,000 |

TOTAL RECOMMENDED REDUCTION None**ANALYSIS**

This item provides funds which permits the department to employ physical therapists or to enter into contracts with local agencies to provide for local employment of physical therapists. Assignment of therapists is based on the number of children with cerebral palsy requiring treatment. Children with other disabling conditions receive treatment on a "time available" basis.

The budget proposes \$1,539,676 to provide funds for 259 therapists for existing workload plus authorization for 15 additional therapists to meet the anticipated workload increase. The budget provides no additional funds for the proposed positions.

We recommend the approval of \$1,523,351, as requested, to provide for the employment of 259 therapists and that the authorization for 15 additional therapists be denied.

The request for funds for only 259 therapists is based on the fact that since approximately 90 percent of the positions are filled at any one time the annual salary savings based on 274 positions, 259 authorized and 15 proposed, would be 27.4 positions per year.

The department has stated that the 15 proposed positions cannot be filled during the budget year and, thus, funds have not been provided for them. We believe that it is poor budgeting to authorize the existence of positions with the prior knowledge that they cannot be filled. Therefore, it appears to us that it would be more desirable to fill the existing positions before new ones are added.

The approval of our recommendation should in no way affect the therapy services which are provided to physically handicapped children.

At the beginning of the current year some 121 or slightly more than one-third of the therapists in this program were state employees; however, during the latter part of the current year, the 83 state-employed therapists in Los Angeles County are expected to be transferred to county employment. This anticipated action will result in a balance of only 38 state-employed therapists in seven counties who should also be transferred to county employment. The major problem in effecting this shift has been the fact that in almost all cases the state salary for physical therapists is substantially higher than any county salary for this same class. The department has encouraged this shift to county

Treatment of Physically Handicapped Children—Continued

employment and we believe that it is administratively desirable for therapists to be county employees so that county directors of crippled children services can give more complete administrative direction. The 1961 Regular Session of the Legislature added language to the Budget Act to the effect "that all therapists be transferred to the employment of local agencies as soon as possible."

We recommend that language be added to the budget bill to effect the transfer of state employed therapists to the employment of local agencies not later than July 1, 1963.

**Department of Public Health
HOSPITAL CONSTRUCTION**

ITEM 407 of the Budget Bill

Budget page 1035

**FOR ASSISTANCE TO LOCAL AND NONPROFIT AGENCIES FOR
HOSPITAL CONSTRUCTION FROM THE GENERAL FUND**

| | |
|---|--------------|
| Amount requested | \$11,054,064 |
| Estimated to be expended in 1961-62 fiscal year | 8,746,445 |
| Increase (26.3 percent) | \$2,307,619 |

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

The item provides for continued participation by the State in the federal hospital construction program (Hill-Burton and Wolverton Acts) on a matching basis. Section 435.6 of the Health and Safety Code provides that the amount of state assistance which shall be provided to any public agency for hospital construction shall be a sum equal to the assistance received by the agency for that hospital under the federal act, but in no event shall the amount of the state assistance exceed one-third of the cost of the construction of the hospital.

The budget proposes \$11,054,064 for the 1962-63 fiscal year. This is a large increase of \$2,307,619, or 26.3 percent, over the \$8,746,445, which is estimated to be expended on this program in the current year.

We recommend approval of the item as budgeted.

A partial explanation for the significant increase in funds requested for the hospital construction program is the fact that the current year's appropriation by the federal government was in excess of that originally anticipated. The proposed appropriation will provide funds to match anticipated federal funds and the excess federal funds carried over from the current year.

**Department of Water Resources
FLOOD CONTROL**

ITEM 408 of the Budget Bill

Budget page 1038

**FOR SUBVENTION FOR FLOOD CONTROL
FROM THE GENERAL FUND**

| | |
|---|--------------|
| Amount requested | \$10,806,348 |
| Appropriated in 1961-62 fiscal year | 2,075,949 |
| Increase (420.5 percent) | \$8,730,399 |

TOTAL RECOMMENDED REDUCTION \$500,000

Flood Control—Continued

Summary of Recommended Reductions

| | |
|---|---------------|
| | <i>Amount</i> |
| Walnut Creek Flood Control Project----- | \$500,000 |

ANALYSIS

The State has, since 1946, assumed the costs of lands, easements and relocation of utilities which federal law requires local governments to pay on any U.S. Corps of Engineers flood control projects involving levee and channel work. Money requested in this item is to reimburse cities, counties and districts for the above costs on such flood control projects. Since 1959 the appropriations and reimbursements have been made directly from the General Fund.

The request for next year is \$10,806,348, which is \$8,730,399 greater than the appropriation for the current year. However, the current year appropriation was much smaller than customary. As a result over-appropriations in past years have been used to finance a large portion of costs during the current year. For example, only \$92,297 was appropriated last year for the Los Angeles County Flood Control Project. For next year, the project returns to its more normal rate of appropriation with \$7,963,000 being requested.

A review of the expenditures made during fiscal year 1960-61 shows a sharp expenditure increase with a consequent reduction in carryover funds. This rate of expenditure in fiscal year 1960-61 is almost twice the rate of expenditure in the fiscal year 1959-60 and is attributable largely to a change in the time at which funds are encumbered. While there is a gradual reduction in the relative magnitude of accumulated unpaid claims for reimbursement awaiting processing by the Department of Water Resources, it is still necessary for the department to maintain its efforts to reduce this backlog.

The projects for which funds are being requested and the amounts being requested for each project are listed under Item 408 of the Budget Bill. *It is recommended that the sum of \$500,000 for the Walnut Creek Flood Control Project be removed from this item because late information from the Department of Water Resources indicates that it will not be needed. In other respects, approval of the item is recommended.*

**Department of Water Resources
WATERSHED PROTECTION PROJECTS**

ITEM 409 of the Budget Bill

Budget page 1038

**FOR SUBVENTIONS FOR WATERSHED PROTECTION PROJECTS
FROM THE GENERAL FUND**

| | |
|--|-----------------|
| Amount requested | \$2,759,814 |
| Appropriated in 1961-62 fiscal year | 803,500 |
| Increase (243.4 percent) | \$1,955,814 |
| TOTAL RECOMMENDED REDUCTION | None |

Watershed Protection Projects—Continued

ANALYSIS

Sections 12850 to 12875 of the Water Code authorize the Department of Water Resources to reimburse local agencies for costs of lands, easements and relocation of utilities for watershed protection projects constructed by the U. S. Soil Conservation Service. A list of the projects with the amounts requested for each is contained in Item 409 of the Budget Bill. This is a program which is gradually increasing in magnitude.

Approval of the request is recommended.

**Reclamation Board
FLOOD CONTROL**

ITEM 410 of the Budget Bill

Budget page 1040

**FOR THE COSTS OF CO-OPERATION IN FLOOD CONTROL
PROJECTS IN THE CENTRAL VALLEY, FROM THE GENERAL FUND**

| | |
|---|------------------|
| Amount requested | \$6,164,000 |
| Appropriated in 1961-62 fiscal year | 6,155,000 |
| Increase (.1 percent) | \$9,000 |
| TOTAL RECOMMENDED REDUCTION | \$270,000 |

Summary of Recommended Reductions

| | Amount | Budget Page | Line |
|--|-----------|----------------|------|
| Sacramento River Bank Protection | \$270,000 | 1040 | 36 |

ANALYSIS

The funds appropriated by this item are used for the acquisition of lands, easements, and rights-of-way and relocation of utilities for Corps of Engineers flood control projects in the Central Valley and for transfer to the Department of Water Resources for constructing the Lower San Joaquin River Flood Control Project.

The 1961 Session approved Chapter 2188 which authorized the Reclamation Board to participate in the construction of the Sacramento River Bank Protection Project. This is a new project authorized by Congress in 1960. It establishes a new policy that in addition to State or local payment for the acquisition of rights-of-way and relocation of utilities, these agencies shall also share in the construction costs of the project to the extent that the costs of rights-of-way and relocation of utilities do not equal one-third of the project costs.

Chapter 2188 did not specify whether the State or local reclamation districts along the river should pay the portion of construction costs not paid by the federal government. Instead, Chapter 2188 states "Prior to any appropriation of funds for the purposes described in this section, the (Reclamation) board shall investigate and report to the Governor and Legislature on methods of feasible recovery from the beneficiaries of the work to be accomplished of that portion of the total nonfederal contribution in excess of costs of lands, easements, and rights-of-way and the liabilities which may be incurred due to the con-

Flood Control—Continued

struction, operation, and maintenance of the project." The Reclamation Board held a public hearing November 16, 1961 on this question at which the Department of Water Resources recommended that the local districts pay the construction costs required by federal law while the local districts and interests requested the State to pay them.

To date the report required by Chapter 2188 has not been completed by the Reclamation Board and the provisions of the law have not been complied with prior to the proposed appropriation of funds for the project. *It is recommended that the sum of \$270,000 for the Sacramento River Bank Protection Project be removed from the budget. Approval of the remainder of the request is recommended.*

Department of Water Resources

BEACH EROSION CONTROL

ITEM 411 of the Budget Bill

Budget page 1041

FOR THE STATE'S SHARE AND FEDERAL ADVANCES FOR BEACH EROSION CONTROL FROM THE GENERAL FUND

| | |
|--|-----------|
| Amount requested | \$993,000 |
| Appropriated for 1961-62 fiscal year | 1,791,968 |
| Decrease (44.6 percent) | \$798,968 |

| | |
|-----------------------------------|------|
| TOTAL RECOMMENDED REDUCTION | None |
|-----------------------------------|------|

ANALYSIS

The U. S. Corps of Engineer's Beach Control program has been in existence for only a few years. Sections 335 through 338 of the Water Code authorize the Department of Water Resources to pay one-third of the project costs and advance one-third for the federal cost which is subsequently reimbursed. The remaining one-third is paid by local agencies of government, or when state land is involved, by the State. All projects being financed this year are new and are shown below.

Approval is recommended.

Los Angeles County, Cabrillo Beach:

| | |
|---------------------------------|-----------|
| State's share | \$200,000 |
| Advance for federal share | 200,000 |

Orange County, Surfside:

| | |
|---------------------------------|---------|
| State's share | 217,000 |
| Advance for federal share | 179,000 |

Ventura County, Ventura County Harbor:

| | |
|---------------------|--------|
| State's share | 20,000 |
|---------------------|--------|

Santa Cruz County, West Cliff Drive:

| | |
|---------------------------------|--------|
| State's share | 39,000 |
| Advance for federal share | 38,000 |

Santa Cruz County, Twin Lakes:

| | |
|---------------------------------|--------|
| State's share | 50,000 |
| Advance for federal share | 50,000 |

| | |
|---|--------|
| Local share (Division of Beaches and Parks) | 25,000 |
|---|--------|

| | |
|--|---------|
| Less reimbursements from Division of Beaches and Parks | —25,000 |
|--|---------|

| | |
|---|-----------|
| Total Beach Erosion Control Program | \$993,000 |
|---|-----------|

**Public Utilities Commission
GRADE CROSSING PROTECTION WORKS**

ITEM 412 of the Budget Bill

Budget page 1042

**FOR SUPPORT OF GRADE CROSSING PROTECTION WORKS
FROM THE STATE HIGHWAY FUND**

| | |
|---|-------------|
| Amount requested | \$200,000 |
| Appropriated in 1961-62 fiscal year | 250,000 |
| Decrease (20 percent) | \$50,000 |
| TOTAL RECOMMENDED REDUCTION | None |

ANALYSIS

The original appropriation for grade crossing protection purposes was under Chapter 1739, of the Statutes of 1953 (now Sections 1231-2 of the Public Utilities Code) in an amount of \$500,000, supplemented in subsequent years as follows:

| | |
|--------------------------------------|-----------|
| Item 442.1—Budget Act of 1956 | \$200,000 |
| Item 446.5—Budget Act of 1958 | 200,000 |
| Chapter 2042, Statutes of 1959 | 250,000 |
| Item 374.1—Budget Act of 1960 | 250,000 |
| Item 402.1—Budget Act of 1961 | 250,000 |

The funds are administered by the Public Utilities Commission in aiding cities and counties in defraying the costs of grade crossing protection devices, such as wig-wag signals and gates.

Under the terms of the appropriations, the commission is charged with investigating and approving contemplated installations of the devices, and paying to the city or county up to one-half of its share of the cost. If, for example, the total cost of an installation is \$10,000, of which the railroad is to pay \$5,000 and the city \$5,000, the commission may approve an allocation of up to \$2,500.

The amount of \$5,000,000 shown under the same heading in the Governor's Budget (Budget page 1043, line 9) is a continuing appropriation made pursuant to Section 190 of the Streets and Highways Code. Under this section, for the 1958-59 year and for each year thereafter, the Department of Public Works is required to allocate \$5,000,000 of the Highway Fund for aid to cities and counties in defraying 50 percent of their costs in constructing grade separations such as overpasses, as distinguished from the protection devices falling under this appropriation item.

We recommend approval of the item as budgeted.

Department of Social Welfare

ADMINISTRATIVE ASSISTANCE FOR COUNTY WELFARE DEPARTMENTS

ITEM 413 of the Budget Bill

Budget page 1062

**FOR SUPPORT OF ADMINISTRATIVE ASSISTANCE FOR COUNTY
WELFARE DEPARTMENTS FROM THE GENERAL FUND**

| | |
|---|-------------|
| Amount requested | \$721,000 |
| Estimated to be expended in 1961-62 fiscal year | 721,000 |
| Increase | None |
| TOTAL RECOMMENDED REDUCTION | None |

Administrative Assistance to County Welfare Departments—Continued

ANALYSIS

The 1961 Legislature established the policy, Chapters 1567 and 1780, to permit the Department of Social Welfare to grant state and federal funds to county welfare employees for educational leaves and scholarships, and support local experiments or permanent projects designed to improve welfare administration and reduce dependency. Policy was also established to provide for the in-service training of social workers. Although the policy is established by law, appropriation requests will be reviewed annually as a subvention item in the budget.

The 1962-63 Budget requests \$721,000 in state funds, to which will be added another \$590,000 of federal funds. The request for the full year 1962-63 is identical to the request in the 1961-62 Budget for six months.

Very little of the funds appropriated in 1961-62 have been authorized for projects. This is largely due to a reluctance by counties to become dependent upon state funds for any type of administrative activity. However, it is also probably due to the fact that county welfare departments have been engrossed in the implementation of new programs and increased benefits which became effective January 1, 1962 and may not have had an adequate opportunity to develop requests for projects which would meet the standards set by the State Department of Social Welfare.

The department does not have a firm basis for its 1962-63 request but they have not as yet had a fair opportunity to assess the need for the program. Thus, we are not recommending any reductions in this item.

We recommend approval as budgeted.

Department of Social Welfare

GRANTS FOR COMMUNITY SERVICES FOR OLDER PERSONS

ITEM 414 of the Budget Bill

Budget page 1063

FOR SUPPORT OF GRANTS FOR COMMUNITY SERVICES FOR OLDER PERSONS FROM THE GENERAL FUND

| | |
|---|-------------|
| Amount requested | \$150,000 |
| Estimated to be expended in 1961-62 fiscal year | 150,000 |
| Increase | None |
| TOTAL RECOMMENDED REDUCTION | None |

ANALYSIS

State funds are being offered on an equal matching basis to provide an incentive for communities to increase their services for aged persons. Responsibility for the allocation of these funds, according to Chapter 1447, Statutes of 1961, rests with the Department of Social Welfare.

The policy provided in Chapter 1447, Statutes of 1961, is very general and requires that the State Department of Social Welfare formulate and promulgate criteria by which community projects are to be approved. Thus the State Department of Social Welfare has broad discretionary powers in setting standards and granting funds under this item.

We recommend approval as budgeted.

Department of Social Welfare

LOCAL INSPECTION OF HOMES FOR AGED AND CHILDREN

ITEM 415 of the Budget Bill

Budget page 1063

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

| | |
|---|-------------|
| Amount requested | \$1,491,840 |
| Estimated to be expended in 1961-62 fiscal year | 1,401,680 |
| Increase (6.4 percent) | \$90,160 |

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

This item provides for the reimbursement of administrative expenses incurred by cities and counties for the licensing and inspection of boarding homes and institutions for aged and children, under Sections 1622 and 2302 of the Welfare and Institutions Code. Full costs are reimbursed up to a limit of \$65 per new or renewal license issue.

The Department of Social Welfare requested an allocation of \$97,676 from the emergency fund for the fiscal year 1961-62. In the 1961-62 budget, the department estimated that the number of new and renewal licenses granted would average 1,609 per month. A substantial increase in the number of licensing actions has occurred and this item has been re-estimated to average 1,808 monthly for the current year. The department estimates that the monthly average of new and renewal licenses will be 1,920 in the fiscal year 1962-63, and have budgeted accordingly.

We recommend approval as budgeted.

Department of Social Welfare

COUNTY ADOPTIONS PROGRAM

ITEM 416 of the Budget Bill

Budget page 1064

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

| | |
|---|-------------|
| Amount requested | \$4,079,047 |
| Estimated to be expended in 1961-62 fiscal year | 3,301,294 |
| Increase (23 percent) | \$777,753 |

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

The State Department of Social Welfare has the authority to license county adoption agencies to provide relinquishment and independent adoption services. Section 1641 of the Welfare and Institutions Code provides for the State to reimburse counties for all necessary administrative expenses for adoptions programs after deducting any collections of adoption fees (up to \$300 per adoption), received by the counties from adopting parents.

Increases for this item result from (1) county administrative cost increases, (2) increased adoption caseload within counties, and (3) the licensing of new counties to provide adoption services. An allocation

County Adoptions Program—Continued

from the emergency fund in the amount of \$322,466 was granted to the department during the current year. This is due to the substantial increase in the approved agency adoptions caused by recent legal actions against improper adoptions in Southern California.

We recommend approval as budgeted.

Subventions for Other Purposes

SALARIES OF SUPERIOR COURT JUDGES

ITEM 417 of the Budget Bill

Budget page 1066

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

| | |
|---|-------------|
| Amount requested | \$3,952,000 |
| Estimated to be expended in 1961-62 fiscal year | 3,846,853 |
| Increase (2.7 percent) | \$105,147 |

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

The State shares a portion of the cost of the annual salary of each California superior court judge. For the budget year, there will be 335 judges as authorized by existing law.

During the 1961 General Session, the Legislature enacted legislation creating 32 new judges. Most of the positions were authorized for the 1961-62 fiscal year, thus very little increase is shown for the 1962-63 budget year.

There are four county population categories set forth in the statutes. These categories, together with the number of judges in each and the total state share of their statutory salaries for the budget year, are shown in the table below:

| Population | Number of counties | Number of judges | Statutory State's share per judge | Total cost to State |
|------------------------|-----------------------|---------------------|--|---------------------------|
| 250,000 and over | 13 | 255 | \$10,500 | \$2,677,500 |
| 100,000-249,999 | 10 | 35 | 12,500 | 437,500 |
| 40,000-99,999 | 11 | 21 | 10,500 | 220,500 |
| Less than 40,000 | 24 | 24 | 12,500 | 300,000 |
| | 58 | 335 | | \$3,635,500 |

In addition to the amount fixed by statute shown above, the amount requested includes \$316,500 to continue the 5 percent salary increase effective July 1, 1960, under Item 275 of the Budget Act of 1960. This increase is borne entirely by the State.

We recommend approval of this item as budgeted.

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

ITEM 418 of the Budget Bill

Budget page 1067

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

| | |
|---|-----------|
| Amount requested | \$500,000 |
| Estimated to be expended in 1961-62 fiscal year | 500,000 |

| | |
|----------------|------|
| Increase | None |
|----------------|------|

| | |
|--|-------------|
| TOTAL RECOMMENDED REDUCTION | None |
|--|-------------|

ANALYSIS

Sections 970-973 of the Military and Veterans Code provide that county boards of supervisors may create a county veterans service officer whose duties will include providing assistance to veterans and dependents of deceased veterans with claims against the United States arising out of war service and in establishing the veteran's right to any privilege, preference, care or compensation provided for by the laws of the United States or of this State. Section 972 provides that the Veteran's Welfare Board may contribute up to \$75 per month for the service officer's salary and an amount for expenses. The Veteran's Welfare Board allocates a standard \$50 per month operating expense per county, a 50 to 80 percent portion of the first assistant's salary and a 50 percent portion per additional assistant's salary. The 50 to 80 percent variable contribution for the first assistant's salary is dependent upon the budget authorization and upon the number of participating counties.

Fifty-three counties are expected to participate in 1962-63. The \$500,000 request will then provide an average \$50 operating expense, \$75 contribution to the service officer's salary and \$661 contribution to the assistant's salaries per county per month.

We recommend approval of this item as requested.

**Department of Agriculture
COUNTY AGRICULTURAL COMMISSIONERS**

ITEM 419 of the Budget Bill

Budget page 1067

**FOR SALARIES OF COUNTY AGRICULTURAL COMMISSIONERS
FROM THE GENERAL FUND**

| | |
|---|-----------|
| Amount requested | \$176,100 |
| Estimated to be expended in 1961-62 fiscal year | 169,618 |

| | |
|------------------------------|---------|
| Increase (3.8 percent) | \$6,482 |
|------------------------------|---------|

| | |
|--|-------------|
| TOTAL RECOMMENDED REDUCTION | None |
|--|-------------|

ANALYSIS

This item appropriates funds under the authority of Section 63.5 of the Agricultural Code, which authorizes the Director of Agriculture to enter into co-operative agreements with any county for the purpose of increasing the salary of the county agricultural commissioner. Such state contribution is limited to two-thirds of each salary, or \$3,300,

County Agricultural Commissioners—Continued

whichever is less. The purpose of this program is to provide for more uniform, adequate enforcement of the provisions of the Agricultural Code at the county level.

It is recommended that this item be approved as budgeted.

State Disaster Office

WORKMEN'S COMPENSATION FOR CIVIL DEFENSE WORKERS

ITEM 420 of the Budget Bill

Budget page 1068

FOR SUPPORT OF WORKMEN'S COMPENSATION FOR DISASTER SERVICE WORKERS FROM THE GENERAL FUND

| | |
|--|----------|
| Amount requested | \$50,000 |
| Estimated to be expended in 1961-62 fiscal year..... | 48,375 |
| Increase (3.3 percent)..... | \$1,625 |

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The Labor Code provides for State payment of compensation insurance for volunteer Civil Defense or Disaster Service workers who may be injured in the course of training programs or actual service in local disasters. This item provides for the charges made by the State Compensation Insurance Fund for administrative services rendered as well as for anticipated actual hospitalization and medical care during the budget year.

The Budget Act of 1961 provided \$50,000 for this purpose which it is now estimated will not quite be fully expended with an anticipated savings of \$1,625. The present budget item proposes the same appropriation based on the anticipation that the budget year's experience will approximately parallel that of the current fiscal year. *We recommend approval.*

Department of the Youth Authority

ASSISTANCE TO COUNTIES FOR MAINTENANCE OF JUVENILE HOMES AND CAMPS

ITEM 421 of the Budget Bill

Budget page 1068

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

| | |
|--|-------------|
| Amount requested | \$2,843,230 |
| Estimated to be expended in 1961-62 fiscal year..... | 2,404,873 |
| Increase (18.3 percent)..... | \$438,357 |

TOTAL RECOMMENDED REDUCTION..... \$300,000

ANALYSIS

The present law provides that the State shall reimburse counties for one-half the cost, not exceeding \$95 per month per ward, of operating juvenile homes and camps established by the counties for the care of juvenile offenders.

Assistance to Counties for Maintenance of Juvenile
Homes and Camps—Continued

The department now estimates that 41 camps will be in operation at the end of the 1962-63 fiscal year.

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

| <i>Budget year</i> | <i>Budget request authorized</i> | <i>Re-estimate following year</i> | <i>Actual expenditure</i> | <i>Increase or decrease</i> | <i>Percent</i> |
|--------------------|--|---------------------------------------|-------------------------------|-------------------------------------|----------------|
| 1954-55----- | \$971,000 | \$936,480 | \$863,467 | —\$107,533 | —11.0 |
| 1955-56----- | 1,346,000 | 951,740 | 897,167 | —448,833 | —33.3 |
| 1956-57----- | 1,243,000 | 1,126,000 | 1,172,015 | —70,985 | —5.7 |
| 1957-58----- | 1,636,000 | 1,566,000 | 1,427,540 | —208,460 | —12.7 |
| 1958-59----- | 2,080,000 | 1,801,650 | 1,560,579 | —519,421 | —24.9 |
| 1959-60----- | 2,490,960 | 2,095,584 | 1,773,626 | —717,334 | —28.8 |
| 1960-61----- | 2,744,000 | 2,365,820 | 1,948,670 | 795,330 | 29.0 |
| 1961-62----- | 2,726,550 | 2,404,873 | --- | --- | --- |
| 1962-63----- | 2,843,230 | --- | --- | --- | --- |

We wish to point out that the amount budgeted for this program for each of the seven years from 1954-55 through 1960-61 was in excess of expenditures.

The annual average excess dollar amount appropriated by the Legislature was \$462,305, or 22.7 percent, over the actual yearly expenditures for the five-year period 1956-57 through 1960-61 fiscal year.

We have been informed the agency predicates their appropriation estimates on information submitted by the various counties pertaining to the estimated bed capacity available in the budget year. However, our review of this information indicates the agency is taking the total estimated bed capacity in juvenile homes and camps as a basis for determining the State's share of the cost of maintaining juveniles in the county facilities. In consideration of the normal turnover factor, we believe it is apparent that at no time would all the counties' camps and homes in the State be operating at full capacity.

We have previously indicated the annual average appropriation for the past five years exceeded expenditures by 22.7 percent. Furthermore, in the 1960-61 budget, the agency estimated that 47 camps would be in operation by the end of that fiscal year, whereas they now estimate that 41 camps will be in operation at the end of the 1962-63 fiscal year.

It is apparent that the appropriation requests have consistently exceeded the agency's requirements.

We, therefore, recommend a reduction of \$300,000 providing an appropriation of \$2,543,230 for this item.

We further recommend that in preparing future estimates the agency use 90 percent of total bed capacity as the factor in determining the amount of funds necessary for this subvention. This should still provide the agency with a 10 percent cushion predicated on the historical experience which has reflected a utilization of less than 80 percent of total bed capacity as measured by the dollars expended during the past five years.

Department of the Youth Authority
ASSISTANCE FOR CONTROL OF JUVENILES

ITEM 422 of the Budget Bill

Budget page 1069

**FOR ASSISTANCE FOR CONTROL OF JUVENILES
 FROM THE GENERAL FUND**

| | |
|---|-----------------|
| Amount requested | \$27,000 |
| Estimated to be expended in 1961-62 fiscal year | None |
| Increase | \$27,000 |
| TOTAL RECOMMENDED REDUCTION | \$27,000 |

ANALYSIS

In 1958, the City of San Diego established a juvenile checking station at the Tijuana border under the general provisions of Section 700 of the Welfare and Institutions Code which gives juvenile courts jurisdiction over persons under 21 years of age.

The check station operation consists of an officer observing all occupants of cars bound for Mexico. When persons appear to be under 18 years of age and they are not accompanied by a parent, the officer requests identification to establish their age. In the event the person is under 18 years of age and does not have parental consent to enter Mexico, they are not permitted to proceed. We are informed by the agency that the city operates this control station on a 24-hour basis and presently has a staff of 12 police officers assigned to this function. The agency estimates that approximately 6,000 juveniles are interviewed annually by the officers who are assigned to this checkup station.

The city reports an operating cost for this function of \$96,828 for 1961-62. The City of San Diego, while estimating its total cost for this service at \$96,828, has made some arbitrary adjustments. These consist of an estimate that \$24,207 or 25 percent is related to matters other than those directly concerned with juveniles. They further estimate that \$18,156 or 25 percent is related to matters concerning San Diego juveniles only. As to the 50 percent balance of \$54,465, the agency feels that it is reasonable to expect the State to participate in this on a 50 percent or equal sharing basis.

We recognize that this particular service is beneficial to the community and undoubtedly to other Southern California counties adjacent to the border in their efforts to control juvenile delinquency. However, we cannot reconcile the basis for state participation in subvening a portion of the cost of a local police function.

There are numerous comparisons that could be presented where a municipality has the responsibility of providing enforcement services in certain areas for a problem not restricted to a specific locality. Furthermore, we can assume that approval of this proposal would establish a precedent whereby other local communities could and would cite services which they provide that have area or statewide jurisdictional value.

There is also some question as to the legality of the State subvening to this municipality under the present provision of Section 1760(d) of the Welfare and Institutions Code. We are informed by the Legislative Counsel, in an opinion dated January 24, 1962, that Section 1760(d), cited in the budget as the basis for this proposed appropria-

Assistance for Control of Juveniles—Continued

tion, does not constitute authorization for the director (Youth Authority) to make subventions of money to a city.

We recommend disapproval of the amount requested for this item.

**ASSISTANCE TO COUNTIES FOR PROSECUTION AND
CONDUCT OF HOMICIDE TRIALS**

ITEM 423 of the Budget Bill

Budget page 1070

**FOR ASSISTANCE TO COUNTIES FOR PROSECUTION AND CONDUCT
OF HOMICIDE TRIALS FROM THE GENERAL FUND**

| | |
|---|----------|
| Amount requested | \$35,000 |
| Estimated to be expended in 1961-62 fiscal year | None |
| Increase | \$35,000 |

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

Chapter 2115, Statutes of 1961 provides that since the uniform administration of justice is a matter of statewide interest a county in which a trial for homicide is conducted may apply to the Director of Finance for reimbursement of the costs incurred by the county in excess of an amount derived by a tax of 10 cents on each \$100 on property assessed for taxation in the county.

In determining whether or not a requested reimbursement is to be made, the Director of Finance shall consider the amount of state funds available for the purpose, the financial condition of the particular county, and whether or not similar requests have been or may be made by other counties.

No reimbursement is to be made if the particular county requesting aid has available sufficient funds otherwise uncommitted with which to pay the costs.

Costs which may be reimbursed include investigation, prosecution, witness fees and expenses, reporter fees, and transcript preparation.

The chapter made an initial appropriation for the current year of \$35,000. The same amount is now proposed for appropriation in the budget year.

It does not appear to be possible to arrive at any unit cost of a homicide trial. Each trial is unlike any other. The costs of investigation, apprehension, transportation in some instances, and prosecution of the defendant are dependent upon the character and duration of the particular proceedings.

While it is more than likely that a request for financial assistance would be made by a county with a limited tax base and limited financial resources this is not necessarily true in all instances. Homicide trials can become a very costly and serious financial burden in the larger and more wealthy counties.

It, therefore, appears that this new program must be budgeted on the basis of pure contingency and speculation. Resort to this appropriation must be entirely fortuitous and without the anticipated occurrence of specific events. The appropriation, therefore, amounts in fact to a contingency reserve.

We recommend approval as budgeted.

**Department of Conservation
DIVISION OF SOIL CONSERVATION**

ITEM 424 of the Budget Bill

Budget page 1071

**FOR GRANTS TO SOIL CONSERVATION DISTRICTS
FROM THE GENERAL FUND**

| | |
|---|-----------|
| Amount requested | \$100,000 |
| Estimated to be expended in 1961-62 fiscal year | 152,987 |
| Decrease (34.6 percent) | \$52,987 |

| | |
|-----------------------------------|------|
| TOTAL RECOMMENDED REDUCTION | None |
|-----------------------------------|------|

ANALYSIS

This budget requests \$100,000 which is \$52,987, or 34.6 percent, less than is anticipated will be expended during the 1961-62 fiscal year. A somewhat reduced level of services will be offered.

Under provisions of Chapter 892, Statutes of 1961, the State Land Act Fund, through which the grant program was funded, was abolished and Section 6816.1 of the Public Resources Code, which provided a continuing appropriation, was repealed. Provision was made in the above cited chapter to transfer all surpluses in the State Lands Act Fund into the General Fund.

Actual expenditures in this area for the 1960-61 fiscal year were \$141,007. For 1961-62 estimated expenditures are \$152,987. It is proposed to spend \$100,000 in the budget year for this program.

During fiscal year 1958-59, the most recent year for which complete figures are available, the Division of Soil Conservation Grant Program approved grants to 21 separate projects having a total completion cost of \$188,209. The amount of the State's participation in these projects was \$74,280, or 39.5 percent of the total. The grants were made in four categories: investigation, planning, construction and demonstration. Of these categories, two grants went for demonstrations, nine for construction, nine for planning and one for investigation.

In the fiscal year 1960-61, for which figures are not complete, the State made grants to 24 projects with a total cost of approximately \$498,840. Of this figure, the State participated in the amount of about \$165,130, or 33.1 percent. The grants were made in the same four categories. There was one grant made for demonstrations, 13 made for construction, seven for planning and three for investigations.

Funds granted to any project must be used either in the fiscal year granted or in the following year. At the close of the following year the unused grant monies must revert to the General Fund from which they came.

Each project is studied and analyzed by the Division of Soil Conservation for feasibility and soundness. Each grant recipient must provide the major portion of the project funds from sources other than the State. In most cases, these funds derive from the county in which the project is located, local soil conservation districts or local water districts. A grant may be made only to bona fide agencies dealing with conservation and not to individuals. We note that the State's percentage participation in the program is tending downward in the comparison between fiscal year 1958-59 and 1960-61.

We feel that, given the limited amount of money with which the Division must operate, the greatest emphasis must be devoted in future

Division of Soil Conservation—Continued

grants to planning and investigations rather than for direct construction costs. Once the planning stage is completed, the potential sources of other project resources will be increased. Only limited benefits can accrue from the small sums available as construction grants.

We recommend approval of this item as budgeted.

Department of Finance

OFFICE BUILDINGS

ITEM 425 of the Budget Bill

Budget page 1129

**FOR SITE ACQUISITION AND MAJOR CONSTRUCTION AND
EQUIPMENT, SAN DIEGO, FROM THE PUBLIC
BUILDINGS CONSTRUCTION FUND**

RECOMMENDATIONS

| | |
|--|------------|
| Amount budgeted | \$950,000 |
| Legislative Analyst's recommendation | Unresolved |

ANALYSIS

This item proposes the purchase of land, adjacent to the state office building now under construction in San Diego and the development of this land as a state parking lot. The building is scheduled for completion in November of 1962 and some parking facilities will of course be required.

However, we have received no data on this project, either as to the amount of land to be purchased or the nature of the developments thereon. It is our understanding that the use of the State School Land Fund for this purpose is based on the repayment to the fund over a 20 year period, with interest, from the imposition of fees on the use of the parking area. *We can make no recommendations at this time.*

DEPARTMENT OF EMPLOYMENT

ITEM 426 of the Budget Bill

Budget page 1150

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

| | |
|---|-------------|
| Amount requested | \$8,803,428 |
| State employees' retirement | 532,396 |
| State employees' health and welfare | 73,716 |
| Total | \$9,409,540 |
| Estimated to be expended in 1961-62 fiscal year | 7,658,629 |
| Increase (23.9 percent) | \$1,750,911 |

| | |
|--|-------------|
| TOTAL RECOMMENDED REDUCTION | None |
|--|-------------|

ANALYSIS

The Department of Employment derives support in the amounts and from the sources shown in Table 1, which is our summary of the proposed expenditure program for 1962-63. Budgeting for the department is generally on a workload-unit time calculation based upon past experience and modified by analysis, and is reviewed by the federal government as to those programs which are federally financed.

This appropriation provides funds for each administrative activity in the department proportionate to their involvement in the Disability and Hospital Benefits program. These amounts are shown in Table 2.