

**Board of Harbor Commissioners for Humboldt Bay—Continued
ANALYSIS**

Section 3800 of the Harbors and Navigation Code establishes a three-man Board of Harbor Commissioners for Humboldt Bay, each of whom is appointed for a four-year term by the Governor with the advice and the consent of the Senate.

At one time San Diego Harbor had a Board of State Harbor Commissioners similar to that at Humboldt but it was abolished by repeal of Sections 3500 to 3752 of the Harbors and Navigation Code by Chapter 479 of the Statutes of 1945.

The functions of the board are primarily of local interest and relatively limited in scope. The State has no proprietary interest in the harbor or its appurtenances as it has in San Francisco where the State owns most, if not all, of the waterfront and wharf facilities which are operated on a self-sustaining basis with no support from the General Fund.

It would seem that the local benefits accruing from the operation of Humboldt Bay as a harbor should be sufficient incentive for local governmental entities to provide for the costs of supervising the operation either from their own resources or by some sort of local users levy in amounts sufficient to defray actual costs.

We believe that a study should be initiated to determine the feasibility of making this harbor self-supporting. However, based on the existing statutory definition of the State's responsibility, *we recommend approval.*

DEPARTMENT OF INDUSTRIAL RELATIONS

ITEMS 198 and 199 of the Budget Bill

Budget page 535

**FOR SUPPORT OF DEPARTMENT OF INDUSTRIAL RELATIONS
FROM THE GENERAL FUND AND DEPARTMENT OF
EMPLOYMENT CONTINGENT FUND**

Amount requested, General Fund	\$17,217,716
Amount requested, Department of Employment Contingent Fund	42,933
Total Amount Requested	\$17,260,649
Estimated to be expended in 1963-64 fiscal year	15,074,015
Increase (14.5 percent)	\$2,186,634
Increase to maintain existing level of service	\$1,850,875
Increase to improve level of service	292,826
Increase for new service	157,871

TOTAL RECOMMENDED REDUCTION \$317,561

Industrial Relations

Items 198-199

Department of Industrial Relations—Continued

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Division of Administration			
Personal services			
1 Associate administrative analyst.....	\$8,604	535	80
Operating expenses			
General expense	1,000	536	25
Department of Employment Contingent Fund (Apprenticeship and Training Information Centers Program)	877	536	45
Division of Industrial Accidents			
Personal services			
2 Intermediate stenographers.....	8,688	537	64
Operating expenses			
General expense	4,000	538	4
Division of Industrial Safety			
Personal services			
2 District safety engineers.....	18,072	538	50
19 Safety engineers	148,200	538	51
2 Intermediate stenographers	8,688	538	52
4 Intermediate typist-clerks	16,560	538	53
Operating expenses			
General expense	500	538	66
Division of Industrial Welfare			
Operating expenses			
General expense	1,000	539	60
Division of Labor Law Enforcement			
Operating expenses			
General expense	1,000	540	49
Division of Apprenticeship Standards			
Personal services			
1 Assistant chief.....	10,440	541	20
1 Senior stenographer	4,788	541	21
Operating expenses			
General expense	700	541	46
Department of Employment Contingent Fund (Apprenticeship and Training Information Centers Program)	42,056	541	41
Division of Labor Research and Statistics			
Operating expenses			
General expense	500	543	23
Division of Fair Employment Practices			
Personal services			
4 Consultants	31,200	543	65
2 Intermediate stenographers	8,688	543	66
Operating expenses			
General expense	2,000	544	5

DEPARTMENT OF INDUSTRIAL RELATIONS

ANALYSIS

This 11 division department has as its major function the objective of insuring that the employee group as a whole will receive the protection of the various laws enacted relative to safe and healthful conditions of work, minimum wages, just compensation for injuries arising out of employment, on-the-job training and apprenticeship programs, conciliation of disputes between management and labor, of equal opportunity for employment, and certain other related employment matters.

The total expenditure program proposed by the department for the budget year is \$17,616,187. This sum results from requests of \$17,217,716 from the General Fund and \$49,933 from the Department of

Department of Industrial Relations—Continued

Employment Contingent Fund plus an expenditure of \$355,538 in reimbursements.

The total amount requested by appropriation (\$17,260,649) is \$2,186,634, or 14.5 percent, above the amount estimated as necessary to carry out the duties and responsibilities of the department during the current year. Conservatively stated, 80 to 85 percent of this increase is related to the request for 228 new positions, for which \$1,584,604 is required as the first year's salaries. The remainder of the increase is required to continue the support of the current staff and functions.

The proposed expenditure from the Department of Employment Contingent Fund is for the purpose of administratively carrying out the new functions proposed in AB 110 of the 1963 General Session, which failed to pass, in regard to establishment of Apprenticeship Information Centers and will be commented upon in the analysis of the division with responsibility for this function. We also note that an amount of \$12,840 was allocated from the Emergency Fund during the current year to defray expenses of printing wage orders for the Division of Industrial Welfare, which, although budgeted for in 1962-63, was not obligated and therefore reverted.

In regard to the departmental request for 228 new positions, we will agree that approximately 187 of the positions are needed to maintain the current level of service during the budget year due to workload increases and will recommend approval thereof. The remainder, however, of approximately 41 new positions, is either new service or provides an increased level of service, and we recommend disapproval. All of these positions will be discussed in detail in the analysis of the divisions for which they have been requested.

In the past seven years, this department's actual expenditures compared with preceding years' expenditures have shown an average increase of 11.4 percent. We believe this trend of annual increases will continue into the future at the same or greater rate due to the very nature of the services which the department offers the citizens of the State. These services, as related to the departmental workload from which the increases stem, result from increased numbers of places of employment, unemployment due to automation, increasing numbers of industrial accident claims, the increasing numbers of women in the work force, and other factors directly related to population growth and general economic conditions.

In prior analyses we have recommended the consolidation or merger of the Divisions of Industrial Welfare and Labor Law Enforcement on the basis that they perform functions which are similar, if not in some instances identical, and savings would result from such consolidation. The Division of Organization and Cost Control in the Department of General Services, in its management survey No. 1254 which resulted from a careful study of the problem, presented a plan which merges these two divisions. This merger is accomplished under the plan without sacrificing either division's effectiveness in meeting its responsibil-

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ities and should produce annual savings in excess of \$100,000 of General Fund expenditures.

We recommend the department initiate such steps as may be necessary to implement this plan.

Division of Administration

The office of the departmental director is within this division. The primary function of the division staff is that of providing personnel, accounting, procurement and other housekeeping services to the other divisions within the department.

The industrial injuries rehabilitation section of 4.5 positions which was authorized for establishment in the division in the 1963-64 fiscal year had not been implemented prior to December 31, 1963. This delay in implementation is due, we understand, to a desire by the department to insure that proper definitive responsibility and procedures between it and the other interested agencies were resolved before the section was staffed. This has been accomplished and recruiting is now in progress.

This division has proposed an expenditure program for the budget year totaling \$2,304,187, an increase of \$260,294, or 12.7 percent, over that estimated as necessary for the current year.

We note that \$877 of the total support expenditure of the division is funded from the Department of Employment Contingent Fund. This amount represents 2 percent of the total proposed departmental expenditure (\$42,933) for this department from that source. We do not believe the amount of \$877 is sufficient to cover the overhead costs within this division and this funding will be discussed in detail under the analysis of the Division of Apprenticeship Standards.

Personal Services

The division has requested an amount of \$447,572 for the support of personal services in fiscal year 1964-65. This amount represents a net increase of \$44,249 over current year expenditures for these services. The total increase is the net result of an increase of \$6,832 in merit salary increases, an increase of \$35,438 for proposed new positions, an offsetting increase of \$4,853 in salary savings and an increase in staff benefits of \$6,832 due to salary increases of current staff and the proposed new positions.

Proposed New Positions

The division is requesting six new positions, a senior administrative analyst, an associate administrative analyst, three intermediate typist-clerks and a junior clerk.

- 1 Senior administrative analyst (budget page 535, line 79) \$10,440
- 1 Associate administrative analyst (budget page 535, line 80) 8,604

The division justifies the two analyst positions as the answer to a need for a unit within this division which will provide the director with reports derived from analytical studies which will contain recommendations on organization, administrative policies, practices and oper-

Department of Industrial Relations—Continued

ations of the department, evaluations of existing and proposed policies, procedures and operation of the component divisions within the department, and analysis of departmental budget requests for necessity and feasibility.

We recommend approval of the senior administrative analyst position.

The information and staff advice that the director should receive if the position is approved will permit him to devote more of his time to policy direction and guidance and free the assistant to the director for closer day-to-day supervision of the operation of the division. We caution, however, that the analyst position, if approved, not be over-extended or over-programmed beyond the capacity of this single position in an effort to accomplish a complete organizational or systems analysis of the entire department within the first several years.

We recommend disapproval of the associate administrative analyst position resulting in a savings of \$8,604 in salaries and wages.

While we recognize the desire of the director to expedite this new staff service by employing two analysts at its inception, we do not believe at this time the department can expect to gain sufficient useful production from the requested associate level analyst position during the first year of the establishment of such a unit to warrant this expenditure.

The complexity of the functions of the department as a whole and the uniqueness of its organization with Governor appointees serving as division chiefs in all but two divisions, will, of itself, require a thorough and detailed understanding of the interrelationships and operations by the senior analyst. Conservatively, we believe it will take a full year of experience in order for an analyst to achieve the background detail to become a truly effective staff assistant.

The effectiveness of the administrative analyst approach should be measured by accomplishments, improvements and increased efficiency of operations within the department to warrant continuation of the approved position or an increase in staff.

One intermediate typist-clerk has been requested on the basis of workload in the division typing pool and to provide clerical assistance to the proposed new analyst positions. The workload projections presented by the division for the typing pool portion of the position support the need, and the clerical support of the proposed analyst unit, whether staffed by one or two, will require this additional clerical assistance in order to perform its task effectively.

We recommend that the routine monthly typing operations performed and completed in the typing pool be reviewed first from an actual need standpoint and secondly, from an electronic machine accounting or electronic data processing application point of view in order to continue to provide timely and essential reports and thus offset the growing volume of workload now being processed in the typing pool.

The remaining two intermediate typist-clerks and the junior clerk to be employed in the personnel section, the procurement section and

Department of Industrial Relations—Continued

mail room, respectively, are also approved. These positions are justified on a workload basis in each instance. Here again we recommend that the increased workload of routine processes due to increases in the total departmental staff be reviewed for application of controls or conversion to machine operation to keep the documentation within the capacity of the present staff as augmented by the new positions.

Operating Expenses

The division's proposed schedule of expenditure for operating expenses for the budget year is \$1,832,136, or \$225,423, or 14 percent, more than required for the current year. The largest single increase within this category of expenditure is for "rent—building space" in the amount of \$181,637 less the reduction in "building maintenance" of \$34,000 equalling 65.5 percent of the increase. This increase reflects the full year costs of new offices opened during the current year, increased space required by the proposed new positions and the departmental policy of including building maintenance in all new or renegotiated leases.

General expense (budget page 536, line 25)----- \$114,701

Three general expense items termed as miscellaneous equipment, supplies, and services are budgeted at a total cost of \$3,735.

With the exception of the items of general expense related to purchases for the entire department (approximately \$52,000 for purchase of supplies, the amounts budgeted for new positions, freight and cartage), these miscellaneous items exceed all other general expense items in dollar amount.

We recommend a reduction of \$1,000 in this line item.

Since funds budgeted as miscellaneous are expended without direct Department of Finance control the amounts should remain small enough to cover only minor unanticipated expenditures. We believe that the divisional needs for unanticipated contingencies can be supported from the \$2,735 which will remain if the reduction is accepted.

Communications show an increase of \$56,882 which is 25.2 percent of the total increase and results from increased telephone charges due to the proposed new positions and price increases as well as the increases in postal and telegraphic costs.

Equipment

Expenditures for equipment proposed for the budget year are \$10,353 less than in the current year. We have reviewed the equipment requests of the division and find them justified.

Division of Conciliation

This division has as its primary objective the promotion of sound relations between labor and management. It will intercede in a dispute at the request of either party. In addition it has statutory responsibility for certain labor relations functions in connection with four rapid transit districts or authorities. These latter functions are responsible

Department of Industrial Relations—Continued

for the request of an additional 0.1 hearing officer position and 0.3 senior attorney position.

The division has proposed an expenditure program of \$237,680 for the budget year. This represents an increase of \$2,146, or 0.9 percent, over estimated expenditures of the current year.

Personal Services

Personal services at \$210,322 for the budget year result in a net increase of \$2,510 over the current year. Salary increases amount to \$3,848, increases in staff benefits are \$1,118 and are partially offset by salary savings of \$2,456.

Proposed New Positions

The 0.1 hearing officer position (at \$150/day) and 0.3 senior attorney position (at \$50/day) totaling a \$4,000 increase in salaries and wages have been requested to permit the division to properly discharge its duties and responsibilities in connection with the "labor board" functions it must assume in respect to the Stockton Metropolitan Transit District as required by Chapter 839 of the Statutes of 1963.

We recommend approval.

It is noted that if these fractional positions are approved, they will, when added to positions of the same classification authorized for the same purpose in respect to the other three transit districts or authorities, result in a total of 0.4 hearing officer position and 0.6 senior attorney position at a total budgeted salary and wage cost of \$11,000 for fiscal year 1964-65.

Operating Expenses

Operating expenses are projected at the current year level plus \$75, or \$26,867, with increases in general expenses of \$135 and in in-state travel of \$195 offset in part by a reduction of \$255 in printing.

Equipment

Equipment expenditures for the budget year total \$491 or \$439 less than the estimated amount for the current year. We have reviewed the justification for equipment purchases and concur in the need.

We recommend approval of this division's request as budgeted.

Division of Industrial Accidents

This division's objective is to provide just, adequate, and prompt compensation to the wage earner or his dependents for injuries arising out of his or her employment. The chairman of the Industrial Accident Commission of seven members acts as division chief. The commission, through its referees and other supporting staff, hears and adjudicates all industrial accident claims filed with the commission as a quasi-judicial body of limited jurisdiction.

The expenditure program proposed by the division for the budget year is \$5,575,200, an increase of \$786,217, or 16.4 percent, above the amount estimated as being required for its support during the current year. This substantial increase is due almost entirely to the request for

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96 new positions and is reflected in increases in each of the functional categories of expenditure as follows: personal services, \$680,990, 15.1 percent; operating expenses \$53,742, 27.1 percent; and equipment, \$46,485, 83.3 percent.

Personal Services

The amount requested to support the personal services expenditures for the budget year is \$5,202,326, which represents a net increase of \$680,990 above the amount estimated as required for the current year. A portion of this net increase results from an increase of \$75,949 for merit salary increases of the current year staff less \$18,693 in workload and administrative adjustments represented by the policy decision to delete a hearing reporter position in the current and budget year as well as establishing three intermediate clerks during the current year for the purpose of endeavoring to reduce the backlog of filings in the Los Angeles office by an increase in clerical support in conjunction with the increased use of dictating equipment by hearing officers. The evaluation of the effectiveness of this manner of keeping abreast of the workload will continue during the budget year. Salaries and wages for the proposed new positions result in an increase of \$705,888 for the first year. This salary and wage increase resulting from the proposed new positions is offset in part by an increase of \$161,550 in salary savings. Lastly there is an increase of \$79,396 in staff benefits reflecting increases due to the proposed new positions and the merit salary increases of the current staff.

Proposed New Positions

The division has requested 96 new positions and justifies all of them on projections of increased workload and current backlogs.

The workload measurements of this commission may be expressed in total accident claim filings as related to total dispositions of claims with consideration of other factors such as the percent of the total numbers of disabling injuries to original filings, ratio of original filings to decisions, percentage of cases reinstated after being taken off calendar, and comparison of total filings to original filings. Our analysis of these factors confirms the increased workload and developing backlogs.

On the basis of these projections, the division has requested 20 referee teams composed of 4 positions (a referee, a hearing reporter, a senior legal stenographer, and an intermediate typist-clerk) with first year costs of \$599,240 in salaries and wages. These 20 teams, in order to perform effectively, must have the additional support of 3 ancillary service groups consisting of 1 permanent disability rating specialist, 1 consultant medical examiner and 1 intermediate stenographer per group (on the accepted basis of 1 such group for each 5 or 6 teams). The total first year salary cost of these 89 proposed new positions needed to deal with increasing workload and backlog is \$673,763.

We recommend approval of these positions. We have applied the accepted workload formula to the division's actual, current and projected claim filings and determine that the 20 referee teams are justified.

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One of the factors used in applying the formula was based upon what we believe to be an over optimistic first year production rate by the proposed 20 new referee teams (800 decisions per referee) and therefore we have reservations as to the adequacy of this staff augmentation to resolve the problem of prompt or expeditious handling of increased filings as well as its affecting the increasing true backlog of pending cases. This unusual augmentation of the referee teams in the budget year occurs only because the regular application of the workload formula has been neglected in the past several years.

In respect to the seven remaining proposed new positions, the division has requested a junior counsel on the basis of increased workload at the information desk in Los Angeles in order to relieve higher grade legal personnel of the task of answering across-the-counter and telephonic requests for information on the commission's operations and procedures.

We recommend approval of this position.

5 Intermediate stenographers (budget page 537, line 64) --- \$21,720

The division requested a total of five intermediate stenographer positions. We have recommended approval of three of these positions in our discussion of the ancillary groups supporting the referee teams. Discussion of the remaining two positions follows.

One intermediate stenographer position has been requested to handle the increased workload at the information desk at Los Angeles to answer mail relating to injuries or complaints dealing with cases filed.

We recommend disapproval of this position resulting in a General Fund savings of \$4,344.

We cannot recommend approval of the position due to the inadequacy of the justification. The office already provides this service, with the present staff, and therefore this position must be placed in the category of an increase in staff to improve the level of existing service.

One intermediate stenographer position is proposed to meet the demand of additional examination workload at the medical bureau in San Francisco.

The justification states that the assigned stenographic staff cannot accomplish the transcription of dictation notes of the medical consultants in a timely manner due to the performance of other related clerical duties. It further alleges that the proposed position will result in the medical consultants completing more examinations per day.

We recommend disapproval of this intermediate stenographer position thus saving \$4,344 of General Fund moneys.

This small unit is staffed at present on a three stenographer positions to four professional positions basis. Only the legal sections of the divisions enjoy a higher staffing ratio. We note that in the field organization of this agency, one medical group of a doctor and a rating specialist receive stenographic service from one stenographer. We can see no relationship between the number of examinations a medical consultant might be able to complete in one day and the increase in stenographic assistance. However, we do acknowledge that if a medical consultant

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cannot process the examinations he does complete due to lack of stenographic assistance, a method must be found to increase the capacity of that assistance. We suggest that more efficient use of the present staff be achieved by use of dictating equipment together with a review of the necessity for the clerical and administrative functions they now perform.

The division has requested four intermediate typist positions, which were established during the current year in the Los Angeles office, to endeavor to reduce claim filing backlogs and through more efficient use of a single clerical position together with dictating/transcribing equipment to reduce the need for additional higher cost hearing reporter positions. One hearing reporter position was abolished in the current year and budget year to provide salary savings to, in part, support these four positions. The continuation of three of the four intermediate typist positions in the budget year is requested to handle the ever-increasing workload due to increased filings. The remaining intermediate typist-clerk is requested for the purpose of continuing the evaluation of the use of less costly employees with dictating/transcribing equipment in lieu of a hearing reporter.

We recommend approval of these four positions.

Operating Expenses

The division's proposed expenditure for operating expenses for the budget year is \$270,591 which is \$58,742, or 27.7 percent, in excess of that required for the current year. Every line item in this category reflects an increase over the current year requirements. The justifications of these increases are not specific but rely only on increases in workload and the additional positions requested.

General expense (budget page 538, line 4)----- \$57,435

General expense expenditures for the budget year at \$57,435 are \$14,831 above the amount estimated as required for the current year. Approximately \$6,000 of this amount is allocated to new position costs and another \$1,000 for new offices. Part of the remaining increase appears to be related to the price increases set forth in budget preparation instructions.

We recommend that general expense be approved in the reduced amount of \$53,435 resulting in a savings of \$4,000.

Two items of general expense, miscellaneous office equipment (non-accountable types of equipment) and miscellaneous supplies are budgeted at \$7,500 and \$2,000 respectively. The sum of these two miscellaneous expenses exceed the budgeted amount for any other specific category of general expense and are \$1,000 over the amount estimated as necessary for these expenses during the current year and exceed the last actual year expenditures for these two categories by \$2,087. The amount of \$9,500 requested for these miscellaneous expenditures is now 16.5 percent of the total general expense item and indicates a lack of proper expenditure control within the division.

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Equipment

The equipment request for the budget year of \$102,283 is \$46,485, or 83.3 percent, greater than the estimated expenditure for the current year. Approximately \$74,000 of the total amount requested is required to provide equipment for the 96 proposed new positions, \$15,000 for replacement of equipment worn beyond economical repair, and \$13,000 for additional equipment to properly equip existing facilities as well as providing equipment necessary to handle the results of the increased filings.

We recommend approval of this line item.

ANALYSIS

Division of Industrial Safety

The objective of this division is to provide all wage earners, with certain statutory exceptions, with as safe a place of employment as may be possible within the limitations of the capacity of the division's staff.

The division's request of \$3,084,156 for its support during the budget year is \$444,541, or 16.8 percent, more than estimated as necessary for this purpose during the current year. The total expenditure program for the budget year is \$3,104,156 as it includes \$20,000 of reimbursements.

Personal Services

The amount requested for personal services during the budget year is \$2,686,809, which results in a net increase of \$368,711 above that estimated as required for this purpose during the current year. This increase is composed of \$32,326 for merit salary increases of the existing staff, \$322,860 for 46 proposed new positions, a partially offsetting increase of \$26,971 in salary savings, and an increase of \$40,496 in staff benefits.

Proposed New Positions

The division has requested 46 proposed new positions in the budget year at a first year salary cost of \$322,860. Thirty-two of the requested positions are in the classification of safety engineer, 3 are district engineers and the remaining 11 are supporting clerical staff positions. Justification of the number of positions in the latter 2 classifications is a mathematical function of the number of safety engineer positions requested; namely, on a 1 to 11 basis for district safety engineers and 1 to 3 basis for supporting clerical positions.

32 Safety engineers (budget page 538, line 51)----- \$249,600

The division has requested three safety engineers (elevator) and seven safety engineers (pressure vessel). The justification of these positions is based on the accepted workload formulas for each classification.

We recommend approval of 10 safety engineer positions.

In 1961 the division recommended a revision of Labor Code Section 7682 with respect to extending the interval of internal inspection of fired boilers. Had the recommendation been accepted in full it would have resulted in easing the workload in the pressure vessel section (Chapter 806, Statutes of 1961). We recommend that consideration

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again be given^a to introduction of this amendment to Section 7682 of the Labor Code.

The remaining 22 safety engineers (construction) are requested to provide an increased level of service in the construction industry. Through the increased emphasis on the safety problems of the construction industry which would be possible with these additional personnel, it is hoped to reduce the number of injuries defined as "disabling" occurring annually. The construction industry has had the highest "disabling" injury rate per 1,000 employees among all state industries. The following table sets forth the staffing pattern as well as the industrial accident experience in the construction industry in California for the fiscal year 1957-58 through 1962-63:

	Safety Engineers (Construction)		Disabling injuries	Rate per thousand	Total fatalities
	Authorized	Actual			
1957-58 -----	25	20.5	21,961	77.4	172
1958-59 -----	25	23.4	25,525	83.2	149
1959-60 -----	25	24.2	23,291	79.4	166
1960-61 -----	26	24.8	23,764	81.4	193
1961-62 -----	27	25.4	24,754	81.3	220
1962-63 -----	29	26.2	26,917 *	82.8 *	212 *

* Estimate based on eight months reporting experience.

We recommend disapproval of 19 safety engineer (construction) positions resulting in a savings of \$148,200 of General Fund expenditures.

In 1959, after repeated urgings of this office and with our assistance, a mutually acceptable workload formula was developed to apply to the electrical, construction, mining and petroleum, and industrial safety engineering sections of the division. Its first application was in consideration of the 1960-61 fiscal year budget and has been used in each of the succeeding years to determine whether increases in technical staff of the four safety sections may be required to maintain the levels of service approved by the Legislature. This year the division has chosen to abandon this formula. Application of the formula to the current authorized staff, with the factors of numbers of employees and number of employers weighted by a constant of ten determining the "work unit," indicate an increase of three safety engineers is justified.

We therefore recommend approval of three safety engineers for assignment administratively to any of the safety sections of mineral industries, industrial, construction and electrical.

3 District safety engineers (budget page 538, line 50)----- \$27,108

One district engineer will be required for supervision of the increased number of safety engineers resulting from the addition of 10 safety engineer positions. If our recommendation for approval of these 10 positions is accepted, the related supervisory position should be allowed.

We recommend approval of one district safety engineer and the deletion of two district safety engineer positions for savings of \$18,072.

Two district safety engineers were requested for the purpose of supervision of the 22 safety engineers (construction). We have recom-

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mended the deletion of these positions and if they are not allowed the related supervisory positions should not be allowed.

3 Intermediate stenographers (budget page 538, line 52)---- \$13,032

8 Intermediate typist-clerks (budget page 538, line 53)---- 33,120

The supporting clerical staff for the safety engineers was developed on the accepted basis of one clerical position for three technical positions at the safety engineer grade. Our prior recommendations, if approved, will result in the approval of 13 safety engineers, thus we recommend approval of 1 intermediate stenographer and 4 intermediate typist-clerks as supporting clerical positions.

We recommend that two intermediate stenographer positions be deleted resulting in a savings of \$8,688 and that four intermediate typist-clerk positions be deleted resulting in a savings of \$16,560 in salaries and wages.

Operating Expenses

The division's request of \$386,194 for operating expenses during the budget year exceeds the amount estimated as necessary for the current year by \$57,838, or 15.9 percent. Increases in each object of expenditure reflect expenses of the new proposed positions totaling approximately \$50,000.

General expense (budget page 538, line 66)----- \$15,735

This division has budgeted a total of \$2,053 for three miscellaneous expenditures, equipment \$620, supplies \$718, and services \$712. These expenditures amount to 13 percent of the line item, which we believe to be excessive.

We recommend a reduction of \$500 in this line item.

We believe \$1,553, which will remain if the reduction is accepted, is a reasonable amount to allow for contingencies of this nature. The balance of the increases have been reviewed and appear justified.

Equipment

Expenditures for equipment during the budget year are \$31,153, or \$17,992 above the amount estimated as required to support this category of expenditure during the current year. Approximately \$20,000 of the total is to provide equipment to support the 46 new positions. The remaining \$11,153 being for replacement and additional equipment required by the currently authorized staff to maintain the same level of service. We have reviewed these requests and they appear justified.

Reimbursements

Reimbursements accrue to this division as a result of a contractual agreement with the Department of Public Health for the inspection of high energy radiation sources used for industrial purposes. Reimbursements are made from fees collected by the Department of Public Health from industrial users of radiation sources. The amount of such fees should be adequate to cover the costs of service. The reimbursements for the budget year are carried forward at the same level as the current year. The total estimated revenue from fees collected for

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users of high energy machines and material sources of energy for the current and budget year is \$177,000, of which \$20,000 may be reimbursed to the division in each year under terms of the agreement. Under these circumstances, this inspection program is not self-supporting, nor does it appear it can achieve that status under the current contract.

We recommend that this contract be renegotiated prior to the beginning of fiscal year 1964-65 to insure the Division of Industrial Safety receives reimbursement for the services they perform in an amount which will reflect the actual annual cost of this program to the division.

Division of Industrial Welfare

This division's objective is to insure that the working conditions, places of employment, and hours of work for women and minor wage earners are safe and healthful, as well as enforcement of the minimum wage laws with respect to these categories of employees. The divisional policy for accomplishment of these objectives stresses the firm co-operative and educational approach as opposed to that of strict enforcement. The Industrial Welfare Commission is located within and draws its support from the division.

The division's proposed expenditure program for the budget year is \$845,471 which is \$104,154, or 14 percent, greater than the amount estimated as necessary for the current year.

Personal Services

The personal services expenditures proposed for the division in the budget year total \$712,096, resulting in a net increase over the current year of \$83,877. This increase results from an increase of \$10,724 in merit salary increases for the present staff, \$78,056 in new position costs of which \$73,884 is the first year cost of the 11 proposed new positions and \$4,172 for the one-year cost of the 15-member wage board and 0.6 of a position for the special technical and clerical support it requires, less \$14,884 of increased salary savings, and lastly, an increase of \$9,981 in staff benefits due to the merit salary increases of the current staff and salary costs of the proposed new positions.

New Positions

The division has included in the new positions requested the one-year cost of the services required of the 15-member wage board, which will meet 3 days to consider the revision of the commission's wage order in respect to the employment of women and minors in harvesting operations. All other commission wage orders (13) were revised in calendar year 1963. The total costs resulting from this board activity are \$4,172 apportioned as follows: for board members' attendance at meetings \$675, for 0.3 technical assistant position (3 months), and for 0.3 intermediate stenographer position (4 months). *We recommend approval of this expenditure.*

Four welfare agents at \$29,712 for the first-year salary cost are requested as being necessary to maintain the same level of service.

Department of Industrial Relations—Continued

These positions are based on a projected increase of complaint filings based on the historical increases following revisions of wage orders in 1952 and 1957. *We believe these projections to be valid measures of increased workload and recommend approval of these positions.*

An additional four welfare agent positions at the same cost as mentioned above are requested to assist in the reduction of the increasing backlog of pending cases in the Los Angeles area and reducing the lengthy time period now existing between filing and completion of all such cases. Another consideration expressed in the justification is the fact that 47 percent of the time-consuming special minimum wage permits originate in Los Angeles County.

We recommend approval of these positions.

The division has requested a senior payroll auditor at a first-year cost of \$5,556. The justification offered indicates that in fiscal year 1962-63, a backlog of payroll audits developed which was beyond the capacity of the two payroll auditors authorized at present and necessitated a change of divisional policy to require the most pressing of the audits to be accomplished by the welfare agents rather than the auditors. In the last six months of fiscal 1962-63 welfare agents, statewide, had expended more than 1,325 man-hours, or approximately 75 percent of a man-year, in performance of these pressing audits.

We recommend approval of this position.

To provide the clerical assistance necessary to support the proposed four welfare agents requested for the Los Angeles area, the division has requested two intermediate stenographers.

We recommend approval of these positions.

Operating Expenses

The division requests an amount of \$117,313 for expenditure on operating expenses during the budget year. This amount is \$13,054, or 12.5 percent, greater than estimated as necessary during the current year.

General expense (budget page 539, line 60)----- \$8,940

General expense at \$8,940 for the budget year reflects a reduction of \$8,190 from the current year estimates. The reduction is directly related to the publication of the 13 wage orders in the current year at a cost of \$12,840. In the general expense item, there are three items termed as miscellaneous. They are equipment at \$290, supplies at \$390, and services at \$1,255.

We recommend this line item be reduced by \$1,000.

The total amount, \$1,935 budgeted for miscellaneous types of general expenditures is 20 percent of the line item. We believe such an amount for contingent type of expenditures to be excessive. The balance remaining for miscellaneous expenditures, if the reduction is approved, will amount to 11 percent of the total general expense line item.

Other items of operating expenditures have been reviewed and are justified on the basis of price increases and increases necessary to support the requested new positions.

Department of Industrial Relations—Continued

Equipment

Proposed expenditures for equipment in the budget year total \$16,062, or \$7,223 above the amount estimated as necessary for the current year. The increase is due entirely to providing equipment for the proposed new positions.

We have reviewed the equipment schedules and recommend approval.

Division of Labor Law Enforcement

The objective and responsibilities of this division relate to the enforcement of state labor laws not specifically delegated to any other authority. The largest segment of its workload is dealing with enforcement of wage payment laws.

The division's proposed expenditure for the budget year is \$1,847,211, an increase of \$278,651, or 17.8 percent, over that estimated for expenditure in the current year.

Personal Services

Expenditures for personal services are proposed at \$1,619,666 for the budget year. This amount represents a net increase of \$209,420, or 14.8 percent, above estimates of current year expenditures for personal services.

The net increase of \$209,420 results from an increase of \$27,898 in merit salary increases for the existing staff, \$188,100 in the first-year cost of salaries of new positions, a partial offsetting increase in salary savings of \$31,281, and an increase of staff benefits of \$24,703.

Proposed New Positions

The division has requested the addition of 32 new positions on a workload basis in the budget year.

The position of attorney, at a first-year cost of \$10,968, is requested for the purpose of maintaining the same level of service in respect to filing of civil suits. The seven attorneys now authorized appear to have stabilized their maximum production at about 100 civil cases per attorney per year. This rate has remained constant at this figure since fiscal year 1960-61. During the same period of time, the total complaints filed with the division has increased from 46,501 in 1960-61 to a projected 60,524 in 1963-64.

We recommend approval of this position.

Two supervising deputy labor commissioners are requested at a first-year cost of \$18,072 for assignment to the Los Angeles area. These positions are justified on the basis that supervision of technical personnel in the Los Angeles area with 6 offices, 26 deputy commissioners, and 6 investigators is on a 1 to 32 basis at present. The statewide supervisory ratio of the current staff is about 1 to 12. The new positions, if approved, would result in a supervisory ratio more nearly of 1 to 10 without an increase in current staff in the Los Angeles area. However, as five of the requested deputy positions and one investigator position

Department of Industrial Relations—Continued

are for assignment in the Los Angeles area, the supervisory ratio will, if those positions are approved, then approximate the 1 to 12 state-wide ratio.

We recommend approval of these two positions.

The division has requested seven deputy labor commissioners, at a first-year cost of \$54,600. These new positions are justified by projected increases in case filings and the increasing backlog of pending cases despite general improvements in procedures and production by existing staff. We have reviewed the workload projections and concur with the conclusions drawn therefrom.

We recommend approval of these seven positions.

Three special investigators are requested at a first-year cost of \$19,296. One of these positions is justified on the basis of providing this needed staff assistance to the Santa Ana office. Investigative staff assistance is now provided on a part time basis from the Long Beach office. The workload in the Santa Ana office indicates a projected growth that justifies the establishment of this position. The two remaining special investigators are requested for the purpose of insuring private trade schools meet the provisions of Section 1650 of the Labor Code (Chapter 2100 of the Statutes of 1963).

We recommend approval of these three positions.

The division has requested 17 clerical staff positions to support the 13 technical positions discussed above and to provide for workload increases at a first-year cost of \$85,164.

We have reviewed the justifications offered for the positions and recommend approval.

Operating Expenses

The division has proposed an expenditure program for operating expenses of \$175,044 for the budget year. This amount is \$38,590, or 28.3 percent, above the amount estimated as necessary for this purpose in the current year.

General expense (budget page 540, line 49)----- \$22,805

In the general expense item the division has budgeted \$2,950 for miscellaneous expenditures. This amounts to 12.9 percent of the total general expense line item.

We recommend a reduction of \$1,000 in this line item.

We believe that miscellaneous or contingent type expenditures account for too great a percentage of the total general expense requirement.

If the reduction is approved, the \$1,950 remaining for miscellaneous expenditures should be adequate for unanticipated general expense expenditures.

The justifications for the balance of the increases in operating expenses have been reviewed and we concur in their need.

Equipment

The division's equipment expenditure request for the budget year is \$53,101. This is \$30,641 greater than the estimated expenditure in this

Department of Industrial Relations—Continued

category in the current year. Approximately 65 percent of the total proposed expenditure is necessary to provide equipment for the 32 new positions.

We have reviewed the equipment schedule and recommend approval.

Division of Apprenticeship Standards

The division's primary purpose is the fostering of the establishment and growth of voluntary apprenticeship programs as a joint venture of management and labor. The standards for these programs are established by the Apprenticeship Council. The division assists the interested parties in drawing up apprenticeship agreements in accordance with the standards established by the council. The division also participates in other areas of technical skill training, that of retraining in new skills, upgrading of workers in present skills, and on-the-job training of unemployed workers. This latter activity is accomplished under federal legislation and is fully reimbursed.

The total support expenditure for the division in the budget year is \$1,496,356. Total support funds are derived from three sources, General Fund (\$1,339,362), Department of Employment Contingent Fund (\$42,056) and reimbursements from the federal government under the Manpower Development and Training Act program (\$114,938).

The amount requested for support of the division requiring legislative approval is \$1,381,418 which is \$133,617, or 10.7 percent, greater than the amount estimated as necessary for divisional support during the current year. The sum requested is funded from the General Fund and the Department of Employment Contingent Fund in the amounts mentioned in the paragraph above.

New Programs

<i>Department of Employment Contingent Fund (budget page 536, line 45)</i> -----	\$877
<i>Department of Employment Contingent Fund (budget page 541, line 61)</i> -----	42,056

Beginning in the budget year, the division is implementing a new program termed the "Apprenticeship and Training Centers Program." As we understand it, the purpose of the program is to provide a single location within a community where all pertinent information on the statewide apprenticeship programs may be found and where interested individuals may, by personal contact, inquire about the program. The first-year total costs of the program are budgeted at \$42,933 and it is proposed to fund it from the Department of Employment Contingent Fund.

The total amount of \$877 is allocated to administrative costs (office, \$168, telephone, \$709) and appears in the Division of Administration's request for support. *We question whether this amount is a true representation of the administrative costs of the program.*

The remaining \$42,056 appears in this division's budget. The only identifiable first-year costs appearing in the budget document are salaries for three proposed new positions (one consultant, one senior information clerk and one intermediate stenographer) totaling \$16,932. Jus-

Department of Industrial Relations—Continued

tification material submitted with the budget request identifies an additional two existing consultant positions at a cost of \$15,708, thus the total first-year salary cost for the five positions will be \$32,640. The two existing consultant positions are to be shifted from the journeyman retraining program where four consultants are now assigned.

Total first-year program costs may be summarized as:

Personal services -----	\$35,448
Operating expenses -----	3,245
Equipment -----	3,363
Administration -----	877
	<hr/>
	\$42,933

The division advises it is now operating two "apprenticeship information centers" with currently authorized staff in both San Francisco and Fresno.

It is understood these centers are in Department of Employment offices and are serviced by the apprenticeship consultants in the area.

The division further reports they have received demands to establish "centers" in Los Angeles, San Diego and Sacramento and informal requests to establish "centers" at San Jose, Stockton and East Palo Alto.

We recommend disapproval of this program resulting in a savings of \$42,933.

From the division's present operation of two such centers it appears that this proposed new function can be accomplished with its present staff with no loss of efficiency. We cannot recommend approval of a program on the basis of the justification offered which does not indicate what the program's scope, procedures, and future costs may be.

The division has also proposed to implement another new program which might be entitled "On-the-Job Training Projects Under MDTA" at a first-year total cost of \$114,938. The program is fully reimbursed by funds made available under the Manpower Development and Training Act of the federal government. Full federal support for MDTA programs will expire at the end of the fiscal year 1964-65 unless the law is amended, at which time the programs, if continued, will be funded on a two-thirds federal to one-third state basis. This means that at current expenditure levels an additional annual cost to the State of approximately \$38,313 for this program will follow. This program for unemployed persons was authorized by a federal-state agreement signed in August of 1962 and requires the closest of co-operation between the Department of Employment and this division of the Department of Industrial Relations. This has been achieved.

The specific segment of the unemployment problem the program is designed to alleviate is that of the unemployed worker who has been displaced by automation or lack of specific job "know how," so as to limit his employability. The function of the program is to provide opportunities for on-the-job training for the purpose of improving the individual's opportunity for employment. Divisional personnel, in this case apprenticeship consultants, will identify industries or plants in which such a training need exists and by contacts with employers and

Department of Industrial Relations—Continued

unions, secure an agreement to provide on-the-job training for such workers. Once the normal level of production is achieved by these workers, they are then absorbed into that employer's regular work force or are offered job opportunities in that type of employment by the Department of Employment.

It is our understanding that the new positions requested to implement this new program will be placed on the payroll in increments as related to the number of federally approved on-the-job training projects in existence.

We recommend approval of this program for the fiscal year 1964-65 only in order that a full review of its potential be made prior to state participation on a shared cost basis.

Personal Services

The division's request for funds for personal services in the amount of \$1,330,787 is \$199,248 greater than the amount estimated as necessary for this purpose during the current year. This net increase of \$199,248 is due to \$16,491 in merit salary increases for the existing staff, \$184,824 in first year salary costs of new positions, a partial offsetting increase of \$24,412 in salary savings and a \$22,345 increase in staff benefits.

Proposed New Positions

Assistant chief (budget page 541, line 20)----- \$10,440

The division has proposed a new position of assistant chief of the division to be established in Los Angeles. The justification delineates the four major factors to be considered as: (1) growth of the division workload which has resulted in increases in total staff from 117 in 1947 when the existing assistant chief position was established to 152 in 1963. During the same period area supervisors increased from 2 to 7 and branch offices increased from 17 to 21, (2) the responsibilities associated with the development and services work of the division in regard to the Manpower Development and Training Act of the federal government, (3) the administrative attention required by the California plan of equal opportunity in apprenticeship and training of minority groups, (4) the growth of interarea apprenticeship and other on-the-job training programs.

If approved, the division contends that Southern California will benefit by receiving the continuous attention of an on the location executive who will: (1) provide administrative leadership, co-ordinate staff services, and adjust workload; (2) make at hand decisions concerning program administration and personnel; and (3) initiate and accomplish essential industrywide and interarea program development not now adequately covered.

We recommend disapproval of this position.

This proposal, if approved, will establish a new organizational pattern within the department of having an assistant division chief in both the south and north of the State. We are not convinced that the span of control over the seven area supervisors now exercised by the existing

Department of Industrial Relations—Continued

assistant division chief is strained or excessive, and believe that the proposed additional assistant chief would provide an unnecessary enrichment of administrative supervision. We believe the problems faced by the division which they want to correct are those of procedure and policy which can and should be set forth in a divisional procedure and policy manual.

The division has requested six new apprenticeship consultant positions on the basis of increased and projected workload in accordance with an established and acceptable formula. We note the projection which is based on the last actual year-end figure has established a trend line considerably above the average of prior year's experience.

We recommend approval of these consultant positions.

In addition, there is a related problem of drop-outs from the apprenticeship program which appears to be in excess of 50 percent as evidenced by the fact that completions (graduation to journeyman) are less than 50 percent of the active apprentices who entered the program four years before. We suggest that equal consideration be given to improving this ratio as well as increasing the size of the program.

1 Senior stenographer (budget page 541, line 22)----- \$4,788

One senior stenographer position has been proposed to provide clerical assistance for the new position of assistant chief which we have recommended to be deleted.

We recommend deletion of the senior stenographer position for savings of \$4,788.

Operating Expenses

The division's request for operating expenses totals \$143,976 for fiscal year 1964-65. This amount is \$30,266 above the funds estimated as necessary to support these expenditures in the current year. The increase is reflected in each line item; in general expense \$822, printing \$3,080, communications \$1,430, traveling, in-state \$24,894.

General expense (budget page 541, line 46)----- \$5,483

The division has requested an amount of \$1,200 for miscellaneous expenditures within this line item, thus, approximately 22 percent of the total expenditure is budgeted for unidentified purchases.

We recommend a reduction of \$700 in this line item.

We believe the amount requested for miscellaneous expenditures for unidentifiable materials to be excessive and that an amount more nearly approaching 10 percent of total amount to be adequate for contingency expenditures of this nature.

All other increases of line items of operating expenses have been reviewed and appear justified.

Equipment

An amount of \$21,593 has been requested for equipment purchases in the budget year. The increase over the current year of \$19,081 is due almost entirely to the proposed new positions.

The equipment schedule has been reviewed and we recommend approval.

**Department of Industrial Relations—Continued
Reimbursements**

This division estimates that reimbursements from the federal government for their participation in the MDTA program of on-the-job training projects will amount to \$114,938, and fully reimburses the division for the salaries and wages and support of the positions proposed in the budget to implement the program.

Division of Housing

This division has as its primary objective and purpose the protection of the public through inspection and consultive services rendered to public and private parties in regard to the safety and health factors in construction of homes, transient or rental type dwellings, mobile homes, mobile home parks, and labor camps.

The division has proposed a total expenditure program of \$896,887 for fiscal year 1964-65. This amount includes the requested support funds plus expenditure of all reimbursements in the amount of \$220,000.

The amount requested by the division for its support in the budget year is \$676,887 which is \$40,379, or 6.3 percent, more than is estimated as necessary for its support in the current year.

Personal Services

An amount of \$731,270 is requested for personal services for fiscal year 1964-65, which is a net of \$35,177, or 5 percent, more than the estimated expenditure for the current year. This increase is made up of \$10,919 in merit salary increases for the existing staff, \$19,308 of first-year cost of new position salaries, a partial offsetting increase of \$997 in salary savings and an increase of \$5,947 in staff benefits.

Proposed New Positions

The division has requested three new positions, two district housing representatives and one intermediate stenographer with a first-year salary cost of \$19,308. All are justified as being necessary to cope with increased workload.

We recommend approval of these positions.

Operating Expenses

The division has requested a total of \$159,476 for operating expenses for fiscal year 1964-65 which is \$8,835, or 5.9 percent, greater than estimated as necessary during the current year. The increase is reflected in every line item of this object of expenditure except out-of-state travel.

The increases are due to enactment of legislation requiring hearing services, price increases and new position costs.

We recommend approval of this line item.

Equipment

The division has requested \$6,141 for equipment expenditures in the budget year. The major portion of the increase is due to workload in-

Department of Industrial Relations—Continued

crease requirements in the trailer coach program, the remainder is for replacement of existing equipment and new position costs.

We recommend approval.

Reimbursements

The division receives reimbursement by way of fees collected by division personnel for inspection of the construction of trailer coaches (mobile homes) for compliance with the standards set forth in the California Administrative Code. They estimate such reimbursement for the budget year will amount to \$220,000 or \$9,000 more than estimated for collection in fiscal year 1963-64.

Division of Labor Statistics and Research

This division has statutory responsibility for development and publication of statistics on labor in California. In addition, it is required to perform such administrative statistical tasks as may be required by the director.

The division's support request for the budget year of \$722,058 is \$22,169, or 3.2 percent, larger than the amount estimated as necessary for its support in the current year.

Personal Services

The division's request for support of personal services for the budget year of \$614,089 is a net of \$14,093 greater than the expenditures estimated for this purpose in the current year. This net increase results from an increase of \$13,972 in merit salary increases for existing staff, \$6,242 for first-year costs of new positions, a partial offsetting increase of \$10,313 in salary savings and an increase of \$4,192 in staff benefits.

Proposed New Positions

The division has proposed the establishment of one intermediate clerk position at \$4,242 on a workload basis and 0.5 temporary help position at \$2,000 for the purpose of assisting in the accomplishment of a revision of the initial report of injury form submitted by medical doctors or employers to the division.

We recommend these positions be approved.

Operating Expenses

An amount of \$98,428 is requested for operating expenses for the budget year. This amount is \$10,929, or 12.5 percent, more than is estimated as required for the current year. Increases occur in every line item except tabulation machine operation.

General expense (budget page 543, line 23)----- \$15,317

Increases in this line item over the current year are \$1,202 and are related to the tabulating machine supplies and services. The division has budgeted an amount of \$1,283 for miscellaneous expenditures.

We recommend this item be reduced by \$500.

The amount requested to cover costs of unanticipated contingencies in the purchase of office equipment, supplies and services is considered excessive.

Department of Industrial Relations—Continued

We have reviewed the increases in other line items and find them justifiable.

Equipment

The division request for equipment expenditures in the budget year of \$9,541 has been reviewed.

We recommend approval.

Division of Fair Employment Practices

This division under the authority of the Fair Employment Practice Commission is responsible for administering the laws relating to the right of all persons for equal opportunity in every aspect of employment as well as the laws of the same nature relating to the sale and rental of housing.

The division has requested an amount of \$586,381 for its support in the budget year, an increase of \$114,466, or 24.3 percent, over the amount estimated as necessary for its support in the current year.

Personal Services

The amount of \$500,865 has been requested by the division for its personal services expenditures in the budget year which is a net of \$114,602 above the amount estimated as necessary for these services during the current year. This total net increase results from an increase of \$22,404 in merit salary increases; \$39,888 in first-year costs of new positions, a reduction of \$40,621 in salary savings and an increase of \$11,689 in staff benefits.

Proposed New Positions

4 Consultants (budget page 543, line 65)----- \$31,200

2 Intermediate stenographers (budget page 543, line 66)---- 8,688

The division has requested six new positions for the budget year, four consultants and two intermediate stenographers with a first-year salary cost of \$39,888.

The justification offered in support of the request for the four proposed consultant positions is based on a projected annual average workload of 75 cases per consultant or approximately three working days per case.

As of September 17, 1963, the end of four full years of experience, a total of 2,840 cases had been received, and of these, 2,119 had been closed and there were 721, or nearly one-quarter of all cases submitted, pending. Of the cases closed during the 4 years, 706 resulted in corrective action, 1,413 were closed for lack of jurisdiction, no evidence of discrimination or lack of evidence.

The division estimates the new cases submitted in fiscal year 1963-64 to reach a total of 1,100. No projection was submitted beyond that date.

The two intermediate stenographers are requested to provide clerical support for the four consultants.

We recommend disapproval of these positions resulting in a General Fund savings of \$39,888.

Department of Industrial Relations—Continued

In our analysis of the division in past years, we have pointed up the low production of the consultants as related to the total cases submitted. It is still our contention that this division, after four full years of experience, have failed to develop realistic caseload standards.

We find in the 20.5 months prior to the end of the division's fourth year of experience (December 31, 1962-September 17, 1963) the average number of cases submitted monthly was 71.2 and the average number closed was 53.9. As the division was authorized 13 consultant positions throughout the entire period the average annual production of a single consultant was 49 closed cases, or about 1 case every 4.5 working days.

The statistics offered by the commission indicate that approximately 66 percent of the total cases completed result from a finding of lack of jurisdiction, lack of evidence, or no discrimination found. The proposed or planned annual caseload of 75 per consultant, which the agency has so far not demonstrated an ability to meet, is neither realistic nor acceptable.

Our comments concerning the excessive expenditure of time by consultants on these cases in prior year's analyses have been met with the explanation that the agency was in its initial development stage and dealing with new subject matter and untried techniques and methods. This can hardly be said now after four full years experience. It has also been said that the procedural requirements of the law are more time-consuming than for other comparable functions. If this is in fact the case, we suggest that it is incumbent upon the agency to propose changes in the law which will result in its being able to discharge its responsibilities effectively, but at substantially reduced cost.

We believe the number of consultants authorized at present to be more than adequate to handle all types of cases presented to the division for investigation and review and especially we recommend the commission seek ways to bring the production of the consultants up to the standards maintained by other divisions within the department.

Operating Expenses

The amount the division has requested for operating expenses in fiscal year 1964-65 is \$78,859. This amount is \$7,121, or 9.9 percent more than is estimated to be required for this purpose in the current year.

General expense (budget page 544, line 5)----- \$15,052

The \$15,052 requested by the division for operating expenses in the budget year is \$4,337 above the amount estimated as necessary for this purpose in the current year. A total amount of \$1,700 is budgeted for displays and exhibits, \$650 for photographic services. Miscellaneous expenditures requested total \$1,000. Supplies for new personnel are budgeted at \$1,100.

We recommend this item be reduced by the amount of \$2,000.

We cannot accept the division's justifications for a \$400 increase over the current year's estimated total expenditures of \$1,400 for exhibit and displays and supplies connected therewith and recommend

Department of Industrial Relations—Continued

this amount be reduced by \$800. It appears reasonable to assume that this type of material accumulated in the past several years is subject to reuse and need not be replaced or increased on an annual basis. In the case of photographic services now budgeted at \$650 or \$100 over the current year, we recommend this be reduced by \$200. As in the case of display materials, here again we believe there is a reuse value associated with this expenditure as well as an absence of demonstration of annually increasing need. The amounts requested for miscellaneous expenditures totals \$1,000 or \$200 over the current year. We recommend it be reduced by \$300. The amount requested for supplies for new positions was based on an anticipated increase of 20 and inasmuch as only 6 new positions are actually requested in the budget, we recommend the \$1,100 request be reduced by \$700. The total reduction recommended amounts to \$2,000. Increases in other line items of operating expenses have been reviewed and appear justified.

Equipment

The division's equipment expenditure request for fiscal year 1964-65 is \$6,657. The equipment schedule has been reviewed and appears justified.

We recommend approval.

STATE FIRE MARSHAL

ITEMS 200 and 201 of the Budget Bill

Budget page 545

FOR SUPPORT OF STATE FIRE MARSHAL FROM THE
GENERAL AND DRY CLEANERS FUNDS

Amount requested	\$736,560
Estimated to be expended in 1963-64 fiscal year	677,611
Increase (8.7 percent)	\$58,949
Increase to maintain existing level of service	\$13,853
Increase to improve level of service	35,148
Increase for new service	9,948

TOTAL RECOMMENDED REDUCTION

\$16,692

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Fire studies analyst	\$9,948	545	74
Deputy state fire marshal I	6,744	545	73

ANALYSIS

The office of the State Fire Marshal is provided for by Sections 13100 to 13146 of the Health and Safety Code. The functions of the office as described in Section 13100.1, are to foster, promote and develop ways and means of protecting life and property against fire and panic. The State Fire Marshal attempts to fulfill his obligation by participating in numerous areas, some of which are self-supporting as the result of license or reimbursable provisions. The State Fire Marshal inspects private mental facilities, public assembly areas and schools; reviews plans for and inspects all state institutions; inspects public

State Fire Marshal—Continued

welfare facilities and private and public hospitals; reviews public school drawings for the Division of Architecture; controls the use of fireworks, the transportation of explosives and the use of flame retardants and flammable wearing apparel; prepares and distributes to subscribers a list of materials and equipment that comply with fire and safety regulations; inspects fairs and expositions; performs plan review and inspection service for dry cleaning plants and press shops; regulates the transportation of flammable liquids; regulates the sale and servicing of fire extinguishers, and performs other miscellaneous duties.

The total of \$736,560 requested for support of the State Fire Marshal consists of \$617,072 from the General Fund and \$119,488 from the Dry Cleaners Fund. The General Fund contribution represents \$54,730 or a 9.7 percent increase over the current year. General Fund revenue for the budget year is estimated to increase by \$14,745. The Dry Cleaners Fund contribution increases by slightly more than \$4,000.

Six new positions are proposed for the budget year. We recommend against two of them; the fire studies analyst and one deputy fire marshal I. We agree with the State Fire Marshal in his contention that fire incidence data should be compiled and evaluated in an attempt to measure the adequacy of existing fire laws and regulations so that changes may be proposed as required. *We do not agree that a new position of fire studies analyst at \$9,948 is required to perform this function.* It is suggested that the administrative staff of the State Fire Marshal's office establish an organized procedure for evaluating such material in a fashion that will enable the existing field staff to prepare the necessary detail material as part of their normal workload. The proposed fire studies analyst would have to rely upon the experience of the field staff and upon the authority of the administrative staff to perform the proposed functions, and therefore the alternative of spreading the work among those ultimately responsible should produce the desired results without an attendant increase in cost.

We recommend approval of the deputy state fire marshal III required for field enforcement of the fireworks program. However, *we recommend deletion of the deputy state fire marshal I, proposed for the same purpose at \$6,744, because the manpower forecast in this area cannot justify it.* It is recognized that the forecast for fireworks registration revenue would support both new positions, but we would recommend against a policy of filling a position based upon anticipated revenue when anticipated workload is not sufficient to substantiate proposed increase in staff.

We recommend approval of the deputy state fire marshal III position that was administratively added in the current year for the tank truck program. The fee schedule for this program was adjusted to insure necessary additional reimbursements by Chapter 548 of the Statutes of 1963 and the position is required in order that the State Fire Marshal may perform the inspections required by Chapter 1275 of the 1961 Statutes. It is estimated that a minimum of 11,000 tank trucks require certification in the State and to date the fire marshal's staff has

State Fire Marshal—Continued

been able to register approximately 6,500. It will be necessary for the staff to complete registration for all tankers in the State and to renew registration every year.

We recommend approval of the deputy state fire marshal I position required for enforcement of fire and safety requirements in organized camps. Chapter 1929 of the Statutes of 1961 emphasized the fire marshal's obligation to perform this service for the camp program.

We recommend approval of the intermediate stenographer position required to maintain the minimum necessary ratio of stenographic to professional help in the State Fire Marshal's office.

Subject to the reductions recommended above we recommend approval of the item as requested.

Department of Justice

ITEM 202 of the Budget Bill

Budget page 548

FOR SUPPORT OF DEPARTMENT OF JUSTICE
FROM THE GENERAL FUND

Amount requested	\$11,199,738
Estimated to be expended in 1963-64 fiscal year	9,843,732
Increase (13.8 percent)	\$1,356,006

Increase to maintain existing level of service ____ \$761,304

Increase to improve level of service _____ 594,702

TOTAL RECOMMENDED REDUCTION _____ \$571,248

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Division of Administration			
1 Intermediate clerk	\$4,242	549	9
1 Junior clerk	3,666	549	10
Division of Civil Law			
7 Attorneys	69,104	551	10
4 Senior legal stenographers	20,112	551	10
8 Clerical positions	36,000	551	10
Division of Criminal Law and Enforcement			
1 Civil Defense Operation officer	9,948	554	10
1 Intermediate stenographer-clerk	4,502	554	11
Bureau of Criminal Law			
- Operating expense—data processing	184,200	554	35
8 Attorneys	73,400	554	72
6 Senior legal stenographers	30,168	554	72
1 Assistant economist	7,080	554	61
3 Intermediate typist-clerks	8,526	554	57
1 Senior special investigator	7,080	554	54
1 Senior special investigator	7,080	554	69
7 Clerical positions	31,500	554	72
Bureau of Criminal Statistics			
3 Intermediate clerks	12,726	555	35
Bureau of Criminal Identification and Investigation			
1 Assistant chief	10,968	555	73
1 Intermediate stenographer	4,452	555	75
1 Teletype operator	4,674	555	74
4 Special agent I	32,784	556	10
1 Special agent II	9,036	556	11