

State Treasurer—Continued

Trust Services, 1964-65

<i>Staffing</i>	<i>Estimate</i>	<i>Revised</i>
Permanent positions	5.0	5.0
Temporary help	0	.87
Position transferred from debt services	0	1.0
Total	5.0	6.87
<i>Workload</i>		
Number of bonds, copies and documents	N/A	3,118,172

ANALYSIS AND RECOMMENDATIONS

In justifying its request for a new clerical position in the trust services program, the agency neglected to include temporary help in the total staffing figures. This omission distorts the hourly workload ratio which the agency is attempting to maintain at 270. The following table shows that by including the temporary help hours in the total staffing figures, the ratio for 1965-66, without the new position, will be 267, which approximates the acceptable standard that existed in 1961-62 and 1962-63.

<i>Year</i>	<i>Workload units</i>	<i>Staffing hours</i>		<i>Workload per hour</i>	
		<i>Agency estimate</i>	<i>Including temp. help</i>	<i>Agency estimates</i>	<i>Including temp. help</i>
1961-62	2,575,528	9,520	9,520	270	270
1962-63	2,578,898	9,520	9,520	270	270
1963-64	2,796,567	9,520	11,138	294	251
1964-65 (est.)	3,118,172	11,424	13,080	273	238
1965-66 (est.)	3,495,471	11,424	13,080	306	267

The agency has estimated that the number of workload units in the current year would be 11.5 percent above 1963-64. Partial information available so far indicates that the actual growth is falling behind this estimate.

We recommend disapproval of the proposed intermediate clerk (\$4,350) for the trust services program, budget page 487, line 6.

HEALTH AND WELFARE AGENCY ADMINISTRATOR

ITEM 151 of the Budget Bill

Budget page 489

FOR SUPPORT OF THE HEALTH AND WELFARE AGENCY ADMINISTRATOR FROM THE GENERAL FUND

Amount requested	\$73,582
Estimated to be expended in 1964-65 fiscal year	71,915
Increase (2.3 percent)	\$1,667
TOTAL RECOMMENDED REDUCTION	\$500

Summary of Recommended Reductions

		<i>Budget</i>	
From amount requested to maintain existing level of service:		<i>Amount</i>	<i>Page Line</i>
Reduce Communications	\$500	489	37

PROGRAM PLANS AND BUDGET

A total expenditure of \$73,582 is proposed for the operation of the office of the Health and Welfare Agency Administrator in 1965-66,

Health and Welfare Agency Administrator—Continued

to supervise and coordinate the operation of the Departments of Mental Hygiene, Public Health, Rehabilitation and Social Welfare, the Citizens' Advisory Committee on Aging, the Study Commission on Mental Retardation and the Office of Atomic Energy Development and Radiation Protection; of advising the Governor in these respective areas; and of effecting administration policies in the health and welfare field. Such an expenditure represents a 2.3 percent increase over the level of expenditure in 1964-65.

Four positions are currently authorized and are proposed to be continued in 1965-66.

No new or expanded service is proposed by this office for fiscal year 1965-66.

REVIEW OF AGENCY ACCOMPLISHMENTS

A total of \$65,122 was expended in fiscal year 1963-64 for the operation of the office of the Health and Welfare Agency Administrator in support of the assigned functions and activities described above.

The actual budgeted amount for that year stood at \$63,983 with a staff authorization of four positions, of which 3.6 were utilized.

ANALYSIS AND RECOMMENDATIONS**Operating Expenses**

Communications (budget page 489, line 37)----- \$3,110

This request includes a continuation of the 1964-65 level of expenditure for toll charges, equipment charges, teletype and postage expenses; an increase of \$50 in leased line charges; and an expenditure of \$500 for conversion to the Automatic Telecommunications Switching Services system.

We recommend the deletion of the proposed expenditure of \$500 for conversion to the Automatic Telecommunications Switching Services system.

We have been advised that no agency or office is to be charged an amount for the conversion to the new system of leased-line services.

CITIZENS' ADVISORY COMMITTEE ON AGING

ITEM 152 of the Budget Bill

Budget page 490

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

Amount requested -----	\$77,973
Estimated to be expended in 1964-65 fiscal year -----	75,670

Increase (3.0 percent) -----	\$2,303
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Increase to improve level of service -----	\$1,350
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TOTAL RECOMMENDED REDUCTION -----	\$1,350
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Summary of Recommended Reductions**Budget**

From amount requested to maintain existing level of service:	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Reduce traveling—out-of-state—committee -----	\$1,350	490	55

Citizens' Advisory Committee on Aging—Continued

PROGRAM PLANS AND BUDGET

The Citizens' Advisory Committee on Aging proposes to expend \$77,973 in the budget year, an increase of 3 percent from its estimated expenditure in the 1964-65 fiscal year. These expenditures are for the purpose of providing advisory assistance, recommendations, and information to the Governor on the problems and characteristics of the aging, to communities in the development of programs for the aged, to the Department of Social Welfare in the evaluation and selection of special projects proposed or established in the field of community services for older persons, and to Californians and other levels of government, in general, in its service as an information center in the field of the aging.

The committee is made up of eight members appointed by the Governor and is joined by four members of the Legislature serving as a joint interim legislative committee. There are 5.1 staff positions currently authorized for the Citizens' Advisory Committee on Aging, which is the level of positions proposed to be continued in 1965-66.

In the performance of the functions outlined above, in 1965-66 the committee plans to hold a number of formal meetings and hearings and to issue reports of such meetings and hearings; to receive, process and reply to official inquiries from the Governor; to advise the Department of Social Welfare on special projects; to reply to requests for information from other sources; to conduct studies authorized by the Legislature; to issue a bimonthly newsletter; to enter into community consultations; and to be represented at in-state and out-of-state conferences relative to the problems of the aging.

New or expanded service proposed includes a request for \$1,350 to support out-of-state travel for the committee chairman as president of the National Association of State Units on Aging.

REVIEW OF AGENCY ACCOMPLISHMENTS

In 1963-64 the committee was authorized 5.1 staff positions, all of which were filled. The committee's total expenditure was \$69,079 in 1963-64 with a budgeted amount of \$68,598 for that year. This expenditure supported the type of activities described in the preceding section.

ANALYSIS AND RECOMMENDATIONS

Operating Expenses

Traveling—out-of-state—committee (budget page 490, line 55) — \$2,800

As a part of the committee's proposed budget for out-of-state traveling of committee members, \$1,350 is being requested for one year to support the out-of-state travel of the committee chairman as president of the National Association of State Units on Aging.

We recommend the deletion of out-of-state travel expense funds for the committee chairman when traveling as president of the National Association of State Units on Aging for a savings of \$1,350.

We were informed that the National Association of State Units on Aging is a private, nonprofit organization established in 1964, supported at this time by the dues of its individual members. The chairman of the

Citizens' Advisory Committee on Aging—Continued

Citizens' Advisory Committee on Aging has held the post of president since April 1964. Out-of-state travel on the part of the chairman in performance of the duties of the National Association of State Units on Aging post since that time has not heretofore been supported by a General Fund appropriation.

We were also informed that the National Association of State Units on Aging is currently considering the merits of the possibility of taking positions upon items of legislation. We feel that such an organization should underwrite the travel expenses of its own officials and that the General Fund is not an appropriate source of support for such expenses.

OFFICE OF ATOMIC ENERGY DEVELOPMENT AND RADIATION PROTECTION
ITEM 153 of the Budget Bill Budget page 491

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

Amount requested	\$50,110
Estimated to be expended in 1964-65 fiscal year	46,975

Increase (6.7 percent)	\$3,135
TOTAL RECOMMENDED REDUCTION	\$50,110

Summary of Recommended Reductions	<i>Budget</i>		
From amount requested to maintain existing level of service:	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Delete Office of Atomic Energy Development and Radiation Protection	\$50,110	491	77

PROGRAM PLANS AND BUDGET

The atomic energy development and radiation protection program involves advice to the Governor and the Legislature, coordination of the activity of state and local public agencies having a responsibility in the field of atomic energy and radiation protection, and acting as a liaison to other states and various agencies of the federal government, including:

(a) Liaison relative to the agreement whereby the Atomic Energy Commission transferred, to the state, part of the commission's radioactive material licensing and inspection program. This transfer was effected as of September 1, 1962.

(b) Exchange of information with other states in such areas as the operation of radioactive waste burial sites.

(c) Industrial applications of atomic energy such as the siting of nuclear power stations.

The 1965-66 budget proposes \$50,110 to support this program.

REVIEW OF AGENCY ACCOMPLISHMENTS

This office was available during the 1963-64 fiscal year to provide technical advice to the Governor, if called upon, and for the coordination of state and local agencies with responsibilities in the atomic energy and radiation protection area if necessary. Some liaison activity oc-

Office of Atomic Energy Development and Radiation Protection—Continued

curred among the various state departments such as Public Health and Industrial Relations, with other states and the federal government, and this office participated along with those departments. This included:

(a) Liaison activity relative to the state-Atomic Energy Commission agreement which transferred a portion of the commission's radiation material licensing and inspection function to the state effective September 1, 1962.

(b) Activity stemming from public concern with food contamination resulting from the fallout from nuclear tests.

(c) Industrial applications of atomic energy through the siting of nuclear reactors and the development of operating criteria related to the use of such reactors for power generation.

The 1963-64 budget provided \$43,702 for this program. The actual cost of this program was \$42,403.

ANALYSIS AND RECOMMENDATIONS

This office was originally authorized by Chapter 1819, Statutes of 1959, to provide the Governor with a staff member of competence in the technical and scientific field of industrial and professional uses of atomic energy and other radiation sources. The primary function of this office was the coordination of all actions and policies of state agencies and to serve as liaison in the development of a nuclear energy industry in California.

This office has a three-position staff including the coordinator, administrative assistant and secretary.

We recommend that the office of Atomic Energy Development and Radiation Protection be abolished for a net saving of \$50,110 during the budget year.

Since the agreement was reached in 1962 whereby the Atomic Energy Commission transferred, to the State of California, large portions of the commission's radioactive material licensing and inspection program there has been no justification for the retention of this office.

This office was transferred in 1963 from the Governor's Office to the Health and Welfare Agency. This action is evidence that the coordinator has outgrown the position's original purpose and is no longer needed at a statewide level in the Governor's Office. It raises serious doubts as to the continued need of a coordinator at any level. A coordinator in the Health and Welfare Agency is obviously limited in his ability to coordinate the activity of such state departments as Industrial Relations, Water Resources, Conservation, Agriculture, Parks and Recreation, Fish and Game, California Disaster Office, Public Works, California Highway Patrol and State Fire Marshal which have statutorily defined responsibilities in the field of atomic energy and radiation protection, but which lie outside the purview of the Health and Welfare Agency.

A check with some of the state agencies which would normally be expected to have a close relationship with the atomic energy office reveals that they have had little contact with the office and very little reason for such contact.

Office of Atomic Energy Development and Radiation Protection—Continued

The Department of Public Health has the major responsibility in the field of atomic energy and radiation protection. The department maintains a 35-man radiological health staff and a radiation laboratory. The department's large well-integrated staff has the competency to carry out its statutory responsibilities in the radiological health area and has little or no need to consult with the coordinator of atomic energy.

The Department of Industrial Relations maintains a staff of six trained radiological experts in the Division of Industrial Safety for the express purpose of enforcing its safety orders and the statutory regulations in the field of radiological safety.

While the promotion of growth in this industry is of importance to the state's economy, the fact is that any new industry utilizing radiation must comply with the regulations of the administrative agencies of state government and consequently must deal with them directly. It appears that the coordinator can properly only refer inquiries to the appropriate agency and this is little more than a clerk's job.

To the extent that the office functioned to make the various contacts with state departments for the industry, it would be of considerable value to the industry; however, this service, cutting across departmental lines, is not provided at public expense for any other industry.

This office has performed a valuable service heretofore during the developmental period of regulation by state government, however, that service is no longer needed and consequently the office is no longer needed.

**Department of Mental Hygiene
SUMMARY**

Budget page 493

**FOR SUPPORT OF THE DEPARTMENT OF MENTAL HYGIENE
FROM GENERAL AND FEDERAL FUNDS**

Amount requested	\$202,221,238
Estimated to be expended in 1964-65 fiscal year	191,835,367

Increase (5.4 percent)	\$ 10,385,871

PROGRAM PLANS AND BUDGET

The Department of Mental Hygiene proposes to spend a total of \$202,221,238 of state and federal funds in 1965-66 on its two major programs: (1) the prevention, care, and treatment of mental illness; and (2) the prevention, care, and treatment of mental retardation.

1. The department proposes a program of preventive and institutional care in 1965-66 in carrying out its responsibility for the care and treatment of persons suffering from a wide range of mental and associated disorders. These include mental illnesses, alcoholism, narcotics addiction, and sexual psychopathy. The department's goal will be to prevent hospitalization where possible through the use of outpatient clinics, day treatment centers, and locally administered community health activities financed by state and local funds. Institutional care

Department of Mental Hygiene—Continued

and treatment will be provided when necessary with the goal of providing protection to individual patients and society and the return of patients to their communities so they can lead normal lives.

To carry out these program goals for the mentally ill, the department proposes to spend \$142,998,702 in 1965-66. This amount is \$5,829,311, or 4.2 percent, more than the amount estimated to be spent for this purpose in 1964-65. A total of 145 new positions are proposed for 1965-66.

In carrying out its program for the mentally ill in 1965-66, the department will engage in the following activities:

(a) Hospitals for the Mentally Ill. The department proposes to spend \$106,610,782 in 1965-66 to operate the 10 hospitals for the mentally ill maintained by the state. This is \$1,029,258, or 0.97 percent more than the amount estimated to be spent for this purpose in 1964-65. Seven of the 10 hospitals are operated solely for the mentally ill. These are: Agnews, Camarillo, Mendocino, Metropolitan, Modesto, Napa, and Stockton. Two hospitals, DeWitt and Patton, also care for adult mentally retarded patients. Atascadero is a maximum security institution for the treatment of sexual psychopaths, the criminally insane, and other cases of mental illness requiring a high degree of security. It treats male patients only.

The department also has two juvenile units which specialize in the separate care and treatment of mentally ill minors 16 years old or younger. The units are located at Camarillo and Napa State Hospitals. Special facilities for the treatment of mentally ill tubercular patients are also maintained. The northern facility is located at Napa State Hospital and the southern facility is located at Patton State Hospital.

The average resident population in hospitals for the mentally ill is proposed to be 28,659 in 1965-66. This is 1,997, or 6.5 percent, less than the average population for 1964-65. The department predicts a total of 28,700 admissions to hospitals for the mentally ill in 1965-66. This is 900, or 3.2 percent, more than the estimated number of 27,800 for 1964-65. The department expects to release a net total of 30,475 patients from hospitals for the mentally ill in 1965-66. This is 505, or 1.7 percent, more than the estimated number of 29,970 net releases to be made in 1964-65.

A recent department survey on ward nursing personnel needs has resulted in staff changes among the department's hospitals. Understaffed hospitals will gain ward nursing personnel and those found to be overstaffed will lose personnel through normal attrition. A total of 236 nursing positions are to be transferred among hospitals in 1964-65, with an additional 200 positions proposed to be shifted in 1965-66.

The net effect of these transfers will be to reduce ward nursing personnel at hospitals for the mentally ill by 140 positions in 1964-65 and by 175 in 1965-66. These positions will be transferred to hospitals for the mentally retarded which will have a net gain of 315 ward nursing personnel during 1964-65 and 1965-66.

Department of Mental Hygiene—Continued

(b) Neuropsychiatric Institutes. The department proposes to spend \$7,553,500 during 1965-66 for the mentally ill related direct services, and teaching and training functions of the two neuropsychiatric institutes operated by the department in cooperation with the University of California. One institute is located on the University of California campus at Los Angeles and Langley Porter Neuropsychiatric Institute operates in conjunction with the University of California medical school in San Francisco. This is \$473,916, or 6.3 percent, more than the amount estimated to be spent for this purpose in 1964-65. These neuropsychiatric institutes are part of the school of psychiatry of the university medical schools. They expect to employ 826.6 authorized positions for mentally ill related activities in 1965-66.

The institutes will conduct basic research into the causes and possible cures of mental disorders in 1965-66. They will provide direct services to the mentally ill through inpatient and outpatient care and day treatment centers. In connection with these services, they will also provide training in psychology, social work, occupational therapy and nursing, and courses will be offered to state hospital physicians and fellows in psychiatry.

The two institutes propose to maintain 280 inpatient beds and 13 day/night program beds for the mentally ill in 1965-66. The average 1965-66 mentally ill inpatient population is estimated to be 254, an increase of 16, or 6.7 percent, over the 1964-65 estimate. A total of 90,025 hospital inpatient days are proposed for 1965-66. This is an increase of 365, or 0.4 percent, over the 1964-65 estimated total. A total of 60,300 outpatient interviews are proposed to be conducted by the two institutes in 1965-66. This is an increase of 5,200 interviews over the 1964-65 estimate, or an increase of 9.4 percent. The 1965-66 estimated average cost per inpatient per day is \$65.32 and the estimated cost per interview is \$31.87.

(c) Outpatient Clinics. The department proposes to provide a variety of psychiatric services in a community setting for mentally ill persons, not requiring hospitalization, through seven outpatient clinics located throughout the state. A total of \$1,221,031 is proposed to be spent in 1965-66, employing 96.5 positions for this activity. The clinics will provide for the prevention, diagnosis, and treatment of mental illness.

Six clinics, fully state supported, are located in Chico, Fresno, Los Angeles, Riverside, Sacramento, and San Diego. The seventh facility, the East Bay Clinic located in Berkeley, is financed by federal funds, but is state administered. It will conduct a training program for social workers, psychologists, and psychiatrists.

For 1965-66 the department proposes that the seven clinics will provide a total of 56,449 service hours to patients. Of this total, 48,016 staff hours will be for direct services to mentally ill patients and 8,433 staff hours will be for mentally ill preventive services to communities. The 1965-66 proposed level of service is the same as that estimated for 1964-65. The average cost of one service hour in 1965-66 will be \$21.63, an increase of 53 cents, or 2.5 percent, over the 1964-65 cost per hour.

Department of Mental Hygiene—Continued

(d) Day Treatment Centers. The department proposes to operate three day treatment centers during 1965-66, one each in Los Angeles, San Diego and San Francisco. The centers are designed to provide psychiatric treatment in the community for mentally ill persons who would otherwise require 24-hour hospitalization.

The department proposes to spend a total of \$652,363 on this program in 1965-66 with 50 authorized positions. This is \$12,247, or 1.9 percent, more than the amount estimated to be expended in 1964-65. In 1965-66, the department proposes total admissions of 1,478. This is 65, or 4.6 percent, more than the estimated 1964-65 figures. Expected discharges in 1965-66 are 1,467, which is 63, or 4.5 percent, more than the estimated 1964-65 figure. The year end caseload for 1965-66 is proposed to be 403 patients. This is 11, or 2.8 percent, more than the number estimated for 1964-65.

(e) Family Care and Social Service. As part of its program for the mentally ill, the department proposes to spend \$2,394,135 in 1965-66 to place and maintain patients in a leave status from state hospitals for the mentally ill. The Bureau of Social Service has the role of helping hospitalized patients make the adjustment to successful community living. Bureau personnel conduct preleave interviews, arrange for living facilities and work placements, and assist in various ways to help mentally ill patients on leave from state hospitals remain in their communities.

The year end number of active assigned mentally ill leave of absence cases proposed for June 30, 1966, is 19,996, an increase of 4,444, or 28.6 percent, over the number estimated for 1964-65. For 1965-66 the bureau is requesting 79 psychiatric social workers and 32 related clerks to handle the estimated increase in the mentally ill indefinite leave caseload. These social worker positions are proposed to be added on a phased basis to correspond with the estimated mentally ill indefinite leave caseload increase.

As part of the indefinite leave activity for mentally ill, the Bureau of Social Service proposes to spend \$3,300,373 in 1965-66 to place and maintain an average of 1,959 mentally ill patients in family care homes. This activity provides a supervised foster home setting for patients who would otherwise have remained hospitalized. This is \$368,384, or 12.6 percent, more than the estimated 1964-65 expenditure. The current rate of \$130 per month per patient became effective on July 1, 1964.

(f) Research. For 1965-66, the department proposes to have \$1,524,853 available for research designed to determine the causes and possible cures for mental illness. This is \$1,385,521, or 47.6 percent, less than the amount available for this purpose in 1964-65. The department receives federal funds for basic and applied research related to mental illness and these are included in the total above.

The decline in budgeted expenditures for research is explained in the budget as being the result of the three-year availability of research appropriations coupled with the budget procedure of showing all uncommitted and requested new research money in the current and budget

Department of Mental Hygiene—Continued

years without reference to the fact that some of the available funds will be carried over into subsequent years during the three years they are available. Under these circumstances, it is not possible to make year-to-year comparisons. It would appear possible to make estimates of actual expenditures for the budget and subsequent years and thus reflect changes in the costs of the research activity more accurately than under the present system. We can only rely on the fact that the same amount of new General Fund support is requested for 1965-66 as was appropriated in 1964-65 and the fact that only those federally supported projects for which firm commitments of funds have been received to indicate that the level of research is intended to be the same in the budget as in the current year. If no further federal funds are committed, the level will, in fact, decline by approximately \$600,000. This applies to the total of research in both the mentally ill and mentally retarded programs.

(g) Assistance to Local Agencies for Mental Health Services. The Short-Doyle Act provides for state reimbursement to approved local mental health activities. When the law first became effective in 1958, all approved services were reimbursed on a 50-50 basis. The law was liberalized in 1963 to provide a 75 percent state reimbursement for new and expanded services. Five categories of services are currently recognized for state reimbursement and the California Administrative Code requires that at least two of these five must be provided. These five are outpatient psychiatric services, inpatient psychiatric services, rehabilitation services, psychiatric consultation services, and information services.

This activity is part of the state's total approach to the problem of mental illness, and is designed to prevent and treat mental illness through locally administered and controlled mental health activities. Hopefully, patients treated under this activity will not require treatment in state mental hospitals. The department reviews and coordinates local psychiatric functions and services as well as enforcing the statutory eligibility requirements for the subvention.

An amount of \$15,258,641 is proposed for 1965-66 for these mentally ill services. This is an increase of \$4,432,996, or 41 percent over the amount estimated to be spent by the state for this purpose in 1964-65. There are currently 31 local jurisdictions within this activity and an additional two are expected to be approved for state reimbursement during 1965.

2. The Department of Mental Hygiene proposes a program of institutional and residential care, as well as training and rehabilitation for mentally retarded persons in 1965-66. Research into the causes and possible prevention of mental retardation will also be conducted.

To carry out the overall program for the mentally retarded, the department proposes to spend \$59,094,226 in 1965-66. This is \$4,566,910, or 8.4 percent, more than the amount estimated to be spent for this purpose in 1964-65. A total of 161.6 new positions are proposed for 1965-66.

Department of Mental Hygiene—Continued

The department will open a new 200-bed unit for severely physically handicapped mentally retarded patients at Sonoma State Hospital, and is requesting 116 new positions to staff it.

In carrying out its program for the mentally retarded in 1965-66 the department will engage in the following activities:

(a) Hospitals for the Mentally Retarded. The department proposes to spend an estimated total of \$52,337,131 in 1965-66 to provide hospital care and treatment for the mentally retarded. This amount is \$3,710,915, or 7.6 percent, more than the amount estimated to be spent for this purpose in 1964-65.

The average mentally retarded state hospital population is proposed to be 13,185 in 1965-66, which is 236, or 1.8 percent, more than the estimated average population for 1964-65.

The department will operate four hospitals solely for the mentally retarded. These are Fairview, Pacific, Porterville and Sonoma. In addition, two hospitals for the mentally ill, DeWitt and Patton, will care for a number of adult mentally retarded patients. These patients are not admitted directly but are transfers from the four hospitals maintained solely for the mentally retarded.

During 1965-66 the department predicts a total mentally retarded resident and on visit population on June 30, 1966 of 13,260 patients. This will be 150 more than the 13,110 expected on June 30, 1965, an increase of 1.1 percent. Total admissions for 1965-66 are expected to be 1,490. This will be 15 over the estimated 1964-65 figure of 1,475, an increase of 1 percent. The 1965-66 predicted net release figure is 1,340, or 189 over the estimated 1964-65 figure. Discharges from leave are expected to total 140 during 1965-66, an increase of 10, or 8 percent over the estimated 1964-65 discharge figure.

(b) Neuropsychiatric Institutes. While the department does carry on some teaching and training activities at the two institutes which are related to mental retardation, the current effort is negligible in relation to the mentally ill activities conducted, so time and money breakdowns are not available.

(c) Care of Mentally Retarded Persons in Private Medical Facilities. As part of its program for the care of mentally retarded persons, the department proposes an appropriation of \$250,000 in 1965-66 for payment to private medical facilities for the care of 120 persons who are on waiting lists for placement to state hospitals for the mentally retarded. This activity, authorized by the 1961 Legislature, will spend an estimated \$250,000 for the care of 120 patients in 1964-65.

(d) Family Care and Social Service. The department proposes to spend \$740,132 in 1965-66 to place and maintain patients in an on leave status from hospitals for the mentally retarded. The year-end number of active assigned mentally retarded leave of absence cases proposed for June 30, 1966 is 1,792. For 1965-66 the Bureau of Social Service is requesting 19 psychiatric social workers and 7 related clerks to handle the estimated increase in the mentally retarded indefinite leave caseload.

Department of Mental Hygiene—Continued

The department proposes to spend \$2,178,320 in 1965-66 to place and maintain 1,959 mentally retarded patients in family care homes. This is \$358,656, or 19.7 percent, more than the estimated 1964-65 expenditure for this purpose.

(e) Research. The department proposes to spend \$954,463 in 1965-66 for a variety of research projects designed to determine the causes and possible treatment methods for mental retardation. This is \$122,349, or 11.4 percent, less than the amount estimated to be spent in 1964-65 for this purpose. The department receives some federal grants to pay for basic and applied research projects related to the problem of mental retardation and these are included in the total above.

(f) Assistance to Local Agencies for Mental Health Services. This subvention, commonly known as the Short-Doyle Act, is part of the state's total approach to the problem of mental retardation, and is designed to prevent and treat mental retardation through local mental health activities.

A total of \$803,086 of state funds is proposed to be spent for mentally retarded services in 1965-66. This is an increase of \$233,315, or 41 percent, over the amount estimated to be spent by the state in 1964-65 for this purpose.

REVIEW OF AGENCY ACCOMPLISHMENTS

1. In carrying out its program of care and treatment for mentally ill persons in 1963-64, the Department of Mental Hygiene spent an estimated total of \$122,459,367, and conducted the following major activities and functions:

(a) Hospitals for the Mentally Ill. The total estimated actual cost of care and treatment for mentally ill patients in hospitals during fiscal year 1963-64 was \$99,577,409. The average mentally ill hospital population was 32,927. Of a total of 13,456 positions authorized for the hospitals for the mentally ill for 1963-64, an average of 12,890 were filled.

During 1963-64, hospitals for the mentally ill admitted a total of 26,777 patients. Of this number, 16,657 were first admissions. Readmissions numbered 8,370 and 1,750 persons were admitted briefly for court observation. The admission rate per 100,000 state civilian population in 1963-64 was 149.2, up 2.3, or 1.6 percent over 1962-63.

A total of 15,610 patients were granted indefinite leaves from hospitals for the mentally ill during 1963-64. Of this total, 6,218, or 39.8 percent, were returned to a hospital during the year, leaving a net indefinite leave figure of 9,392, or 60.2 percent.

The department directly discharged a total of 15,987 patients from hospitals for the mentally ill in 1963-64. Unauthorized absences were 930, and there were 2,741 deaths. The resident population and on brief visit rate per 100,000 state civilian population as of June 30, 1964, was 181.7, down 19.7, or 9.8 percent, from the comparable 1962-63 figure.

(b) Neuropsychiatric Institutes. During 1963-64 the two neuropsychiatric institutes spent an estimated total of \$6,637,853 for mentally ill related functions. A total of 87,104 hospital inpatient days

Department of Mental Hygiene—Continued

were provided by the two institutes in 1963-64 and a total of 57,664 outpatient interviews were conducted during the same period. They had an average inpatient mentally ill population of 227. The average daily cost per inpatient was \$59.53 and the average cost per outpatient interview was \$29.31.

(c) Outpatient Clinics. During 1963-64 the seven outpatient clinics spent an estimated total of \$1,073,937 for mentally ill services. During this period the clinics provided a total of 42,338 staff service hours to mentally ill persons and 7,410 staff hours were devoted to mentally ill related community preventive services. The average cost of one service hour in 1963-64 was \$21.59.

(d) Day Treatment Centers. During fiscal year 1963-64, the department's three day treatment centers expended a total of \$572,382, with 48 of the 50 authorized positions filled. Total admissions for the three centers were 1,346, with 1,200 patients being discharged during this period. The year-end caseload for 1963-64 was 383 patients.

(e) Family Care and Social Service. In 1963-64 the department spent an estimated total of \$2,443,073 to place and maintain 14,746 patients from state hospitals for the mentally ill on indefinite leave. As a part of this activity, the department spent an estimated total of \$1,662,837 to maintain an average of 1,467 mentally ill patients in a family care setting.

(f) Research. The department spent an estimated total of \$1,892,277 for research related to mental illness during 1963-64.

(g) Assistance to Local Agencies for Mental Health Services (Short-Doyle). During fiscal year 1963-64, the estimated total of \$5,327,738 of state funds were expended in financial assistance to 23 local jurisdictions for mentally ill health services.

2. In pursuing its program of care and treatment for mentally retarded persons in 1963-64, the Department of Mental Hygiene spent an estimated total of \$48,508,753 and conducted the following major activities:

(a) Hospitals for the Mentally Retarded. The total estimated actual cost of care and treatment for hospitalized mentally retarded patients during 1963-64 was \$44,261,781. The average daily mentally retarded hospital population was 12,385. Of a total of 6,685 positions authorized for the hospitals for mentally retarded for 1963-64, an average of 6,224 were filled.

The total mentally retarded resident and on visit population as of June 30, 1964, was 12,786, an increase of 102 patients, or 0.8 percent more than the number as of June 30, 1963. This represented a rate of 71.3 per 100,000 of the state's civilian population, which was a decrease of 1.8, or 2.4 percent from the like 1962-63 figure. Total admissions during 1963-64 were 909, a decrease of 638, or 41 percent less than the number admitted in 1962-63. A total of 809 net releases were made in 1963-64. As of June 30, 1964, a total of 2,532 patients were on

Department of Mental Hygiene—Continued

indefinite leave from hospitals for the mentally retarded. This was an increase of 436, or 21 percent over the June 30, 1963, figure. Discharges from leave in 1963-64 totaled 97, a decrease of 43, or 31 percent less than the number discharged from leave in 1962-63.

(b) Neuropsychiatric Institutes. During 1963-64, the two neuropsychiatric institutes expended an undetermined, but minor, amount of time and money for mentally retarded related activities.

(c) Care of Mentally Retarded Persons in Private Medical Facilities. During 1963-64 the department spent a total of \$240,262 to maintain an average of 115 mentally retarded patients in private medical facilities.

(d) Family Care and Social Services. The department spent an estimated total of \$518,605 to place and maintain 2,532 mentally retarded patients in an on leave status from hospitals during 1963-64. The year-end number of active assigned mentally retarded leave of absence cases in 1963-64 was 3,110. The department spent an estimated total of \$1,491,933 in 1963-64 to maintain an average of 1,467 mentally retarded patients in family care homes.

(e) Research. During 1963-64 the department spent an estimated total of \$677,303 for research related to mentally retarded projects.

(f) Assistance to Local Agencies for Mental Health Services (Short-Doyle). During fiscal year 1963-64 the department spent an estimated total of \$108,729 for financial assistance to 23 local jurisdictions for mentally retarded related services and activities.

PROGRAM EVALUATION

Evaluation criteria for the Department of Mental Hygiene's program of care and treatment for the mentally ill should first of all include a determination of the incidence of mental illness in the civilian population of California so that an effective program of reducing that incidence can be implemented.

Cost comparisons should be made so that the relative cost of hospital care versus clinical care can be determined.

For some time the department has had evaluation criteria available to it in the form of the cohort program. It appears that little use of this evaluation tool has been made by the department in past years, with little or no impact apparent on treatment programs in effect now. We therefore urge that this means be used to compare past and present results of treatment methods in order to determine the most effective means of treating the mentally ill. In the absence of a comprehensive departmental report and analysis of the information available from the cohort program, we are including our own evaluation of this material in this analysis.

During the past year additional data have become available from the Department of Mental Hygiene on the admission followup program initiated at the request of the Legislature.

The new material further updates the information presented in our Analysis of the Budget Bill for 1961-62, pages 461-473. This earlier

Department of Mental Hygiene—Continued

report provided followup information to the 1956-57 fiscal year for patients first admitted to hospitals for the mentally ill each fiscal year beginning in 1948-49. The additional data now available carries the followup of these patients through the 1960-61 fiscal year as well as adds and follows first admissions each fiscal year from 1957-58.

One of the problems in updating the material has involved conversion of the basic data from a card index to tape for computer processing.

The followup or cohort method of analysis differs from the traditional approach in that it carries the general definition of a group of patients having one or more characteristics in common, each of whom has been followed from a significant date or event in the history of his hospitalization. In this case, each cohort or group comprises all male patients first admitted to California state mental hospitals during a given fiscal year. Thus, the first admissions during the 1948-49 fiscal year form a cohort, as do those first admitted each fiscal year since 1948-49. The purpose of the analysis is to follow these separate cohorts year after year to determine where these patients are at certain time intervals after first admission—how many are still in the hospitals, how many have died in the hospitals, how many have been released and, of those released, how many have been readmitted for further hospitalization. Not only can a measure of the department's effectiveness be thus derived for each of these cohorts but they can be compared with other cohorts to appraise the effectiveness of changes in staffing standards, treatment methods, new drugs, administrative procedures, factors affecting population trends, and a great many other aspects of the program. An especially valuable use for such data should be in identifying medical research problems and in aiding in their solution. Likewise, the data are valuable for program and performance budgeting and for information to the Legislature and other groups.

So far the department has made only limited use of the data already developed and has not effectively utilized the resources provided by the Legislature so that some of the most important phases of the approach have not as yet been explored.

Although the new material which has become available during the last year is therefore not as comprehensive as desired, there are, nevertheless, some significant findings which should be reported.

Analysis of Cohort Data 1948-49 to June 30, 1961

The cohort data now available makes it possible to trace the history of patients as they have moved in and out of hospitals, etc., for each year from 1948-49 to 1960-61. Although data are now available for both male and female first admissions, the ensuing analysis will be limited to male first admissions to the hospitals for the mentally ill as a selective continuation and revision of our first report in the Analysis of the 1961-62 Budget Bill for which only data on male first admissions were available.

The revised 1948-49 cohort (consisting of 5,591 male patients first admitted during that fiscal year) is followed, measuring on a percentage basis these 5,591 patients according to the categories in which they

Department of Mental Hygiene—Continued

fall at successive intervals after first admission. The categories selected include the following major divisions, although much more detailed breakdowns are possible:

1. Hospital resident
2. Death in hospital
3. On record but absent from hospital
4. Discharged from hospital and discharged while absent

All the 5,591 patients in the cohort are accounted for or distributed among these four categories at each point in time. A patient could, however, move from one category to another and even back to the hospital resident category if he is readmitted.

The 1948-49 cohort provides the longest history (covering a period of 12 years) available and is thus an interesting record of long-term experience in and out of the hospitals.

It should be noted that the hospital resident group comprises 100 percent of the entire cohort at time of first admission. This group, however, decreased very rapidly during the first six months after first admission and at a less rapid rate between 6 and 12 months from first admission. Between the first and second years after first admission, there was a rapid but slower decrease in the group, leaving about 20 percent of the total still in the hospital. After two years the decline in the hospital resident population continues, but much more gradually, ending with about 8 percent in this category by June 30, 1961. This indicates continuing improvement as far as the resident population is concerned. But a declining hospital population in itself is not proof of an effective therapeutic program. The category decreased in hospital appears to be expanding nearly as fast as the hospital resident category is decreasing. The total of these two categories might more appropriately be a measure of treatment effectiveness.

It is noteworthy that these two categories combined declines, but at a diminishing rate during the first two years. After the first two years, the rate is greatly diminished, declining by only about 4 percent from two years after first admission to the terminating date of the cohort data. On this basis about 225 or 4 percent of the 5,591 patients were moved from the unsuccessful (in hospital or death in hospital) to the successful (absent or discharged from hospital) category between two years after first admission and the end of the series. This is in marked contrast to the approximately 3,620 patients, or 65 percent, who were moved into the success category in the first two years after first admission. This provides further corroboration to the conclusion of the earlier study that the department has been unable, on the basis of the information through 1960-61, to provide a treatment program that will effectively increase the release probability of the chronic patients. This showing is in spite of the fact that the budget has been greatly increased since 1948-49 with very sizeable additions for personnel enrichment and higher staffing and treatment standards as well as new and costly treatment approaches.

Department of Mental Hygiene—Continued

Comparison of Different Cohorts

One of the most valuable aspects of followup or cohort analysis is the facility with which one group, year, or other factor can be compared with another. Having a separate cohort for first admissions for each fiscal year provides a broad basis for assessing the progress made by the department over a period characterized by rapidly increasing treatment and staffing standards. Although the 1948-49 cohort can be followed for about 12 years, it should be noted that each succeeding cohort can be followed one year less than the one preceding it. This period is, nevertheless, now sufficiently long to provide some very informative data.

In comparing the various cohorts it is pertinent to note that the total number of first admissions changes from year to year as the program has expanded and contracted. This difficulty is, however, very easily overcome by using percentage comparisons instead of actual numbers.

In making the comparisons between the various cohorts we have sought to answer the question posed previously, relative to the 1948-49 cohort alone, as to how successful the department has been in providing cures and returning the patients to society. Accordingly, the measure of at least partial success is again those patients who have been released alive from the hospitals even though some of these may be on a leave basis requiring continued treatment procedures. The measure of failure or unsuccessful treatment results is again taken to be those patients who are in the category of either "hospital resident" or "deceased in hospital." The comparisons are made for each cohort showing the percentage of total patients in the unsuccessful category at six months after each patient in each cohort was first admitted. This is the basis for Table 1.

TABLE 1
Status of Male First Admissions at Six Months Following First Admission
All Hospitals for General Psychiatry

<i>Cohort</i>	<i>Percent deceased in hospital or hospital resident</i>	<i>Percent discharged or absent from hospital</i>
1948-49	47.6	52.4
1949-50	41.8	58.2
1950-51	43.8	56.2
1951-52	42.1	57.9
1952-53	40.1	59.9
1953-54	39.3	60.7
1954-55	40.5	59.5
1955-56	37.7	62.3
1956-57	35.7	64.3
1957-58	35.0	65.0
1958-59	35.7	64.3
1959-60	31.8	68.2

It can be seen from Table 1 that the department has made gradual and continuing progress in treating patients as measured at six months following first admission. The table indicates that about 48 percent of the 1948-49 cohort of patients were in the deceased in hospital and hospital resident category at six months after first admission, but that

Department of Mental Hygiene—Continued

for the 1959-60 cohort this same group comprised 32 percent of the total. This indicates that a patient's chances of getting out of the hospital alive have improved about 16 in 100 at the six month point in time. Of course, these are rough approximations which do not account for characteristic differences between the various cohorts. (Many of these differences, however, can be measured if the department will further pursue the various ramifications of the cohort analysis approach.)

With a favorable trend, therefore, being exhibited at six months after first admission, the question arises as to what further net improvement occurs between six months and one year and at subsequent anniversary dates after first admission. In this case we are measuring the net change for each cohort as represented by the percentage difference between the six month and the one year figures. It should be emphasized that this measures the net change for the two anniversary dates using the same cohort base.

Table 2, therefore, indicates "net improvement" to the success category on a percentage basis between six months and one year after first admission.

TABLE 2
Net Change in Status of Male First Admissions Between
Six Months and One Year Following First Admission
All Hospitals for General Psychiatry

<i>Cohort</i>	<i>Net percentage increment * to categories discharged and absent from hospital</i>
1948-49	8.0
1949-50	7.3
1950-51	8.4
1951-52	7.0
1952-53	6.2
1953-54	6.8
1954-55	7.2
1955-56	7.7
1956-57	6.7
1957-58	4.7
1958-59	7.5
1959-60	6.0

* Shown as a percentage increment based on cohort total at first admission.

The data in Table 2 show that an additional 8 percent of the patients in the 1948-49 cohort had joined the successful treatment category at one year as compared to six months after first admission. For the 1959-60 cohort only 6 percent more of the patients had joined this category. Therefore, instead of making continuing improvement in treatment effectiveness as measured by the previous criteria, the department appears to be falling behind very slightly for patients between six months and one year after first admission. It seems very likely that part of this results because the department is getting patients out in the more recent cohorts within six months who would otherwise not have been out until the latter period in the earlier cohorts. This indicates the possibility of some improvement in treatment techniques and consequent savings to the taxpayers. However, changing readmission rates are also a pertinent factor for consideration.

Department of Mental Hygiene—Continued

Similar comparisons can be made between other dates within the range of the cohorts now available. The overall time span of the data from the first admission, however, becomes less for each subsequent cohort year. Table 3, therefore, continues the comparison showing net percentage increments to the discharged and absent from hospital categories between 1 year and 2 years, 2 and 5 years, and 5 and 10 years after first admission.

TABLE 3
Net Change in Status of Male First Admissions Between
Selected Years Following First Admission
All Hospitals for General Psychiatry

Cohort	<i>Net percentage increments* to categories discharged and absent from hospital (between periods as shown after first admission)</i>		
	1 and 2 years	2 and 5 years	5 and 10 years
1948-49	4.4%	1.7%	1.3%
1949-50	5.2	1.7	2.1
1950-51	4.6	2.5	1.9
1951-52	4.4	3.3	NA
1952-53	4.6	3.7	NA
1953-54	6.8	2.8	NA
1954-55	7.8	2.2	NA
1955-56	6.4	2.1	NA
1956-57	5.7	NA	NA
1957-58	5.5	NA	NA
1958-59	6.0	NA	NA
1959-60	NA	NA	NA

* Shown as a percentage increment based on cohort total at first admission.
NA—Not available.

The net increment in percentage of patients changing to the successful treatment category (Table 3) is generally less between one year and two years after first admission than it is between six months and one year, as shown in Table 2. There is, in contrast, some slight upward trend in the increment to the success categories with about 4.4 percent for the 1948-49 cohort and 6 percent for the 1958-59 cohort. This compares to a decline as previously shown for the 6 to 12 months category. Only a very small further improvement is made in the next three years (two to five years category) with the increment of further successful treatment being less than 1 percent between the 1948-49 cohort and the 1955-56 cohort.

Only three different cohorts could be followed for the 5 to 10 years after first admission categories, so the experience is very limited. However, for these cohorts less than a 1 percent further improvement is obtained between the 1948-49 and the 1950-51 cohorts covering the five-year period for each.

These findings show that there has been a significant improvement in the chances of a patient getting out of the hospitals alive in the first six months after first admission. A part of this improvement in the likelihood of release by six months after first admission probably results from increasing proportions of admission types whose hospital tenure is usually short. These include mainly increased percentages of voluntary patients. Study of readmission patterns and other factors by cohort approach is also essential in developing a clearer under-

General Summary

Mental Hygiene

Department of Mental Hygiene—Continued

standing of the factors involved. For those patients staying in longer than six months, there has been very little further increase in the percent released alive. The various probabilities are summarized as follows:

<i>Anniversary dates after first admission</i>	<i>1948-49 cohort likelihood of release alive</i>	<i>Percentage improve- ment in likelihood of release alive to latest cohort</i>	<i>Cohorts compared</i>
0- 6 months -----	52%	16%	1948-49 to 1959-60
6-12 months -----	8	—2	1948-49 to 1959-60
1- 2 years -----	4.4	1.5	1948-49 to 1958-59
2- 5 years -----	2	less than 1	1948-49 to 1955-56
5-10 years -----	1	less than 1	1948-49 to 1950-51

The budgets of the Department of Mental Hygiene have, in contrast, changed significantly since 1948-49. The following data compare several pertinent aspects showing changes to the 1959-60 fiscal year for the ten hospitals for general psychiatry and the Langley Porter Neuropsychiatric Institute.

	<i>1948-49</i>	<i>1959-60</i>	<i>Percentage change</i>
Actual personnel -----	6,332.3	12,388.5	95.6%
Average patient population -----	30,951	37,039	19.7
Employees per patient -----	.20	.33	65.0
Total budget -----	\$26,171,782	\$79,498,163	203.8
Average cost per patient -----	\$845.59	\$2,146.34	153.8

These comparisons do not fully show the ramifications of new program concepts such as community-oriented treatment media and other program changes during the period. In spite of these improvements the department has made only gradual improvements in treating the very short term patients. The department has been unable to demonstrate any effective improvement in the treatment approach for the so-called chronic-type patients, for the data show either that about the same proportion of chronic-type patients are being released, but earlier—or that a larger proportion of short-term patients are being admitted and the likelihood of release of chronic-type patients has not changed. Until the department furnishes more data to settle this question, we can only assume the second possibility to be true.

There have been, of course, a great many changes in the department's programs providing for enrichments of staffing for these patients, new program concepts intensifying the treatment impact, and expanded leave opportunities with more care possible in the communities. Although such changes undoubtedly provide better and more humane care for the patients, we have yet to see whether they have contributed, in any significant way, to the department's often-stated purpose of thereby increasing the live release probability for chronic-type patients.

The question, of course, arises as to just how numerous are the so-called chronic or continued treatment groups of patients in the hospitals for general psychiatry. As of June 30, 1964, the number of patients included in the category "psychiatric treatment adult" was 17,009 of a total patient population of 32,159. This category undoubt-

Department of Mental Hygiene—Continued

edly represents the greatest number of long-term patients, although there are some short-term patients. It is probable that more than one-half of the patient population can be included in the long-term treatment category. This is further supported by the department's totals for patients resident in hospitals for the mentally ill as of June 30, 1963. At that time there were 34,960 patients in these hospitals, of which 21,768, or 62.3 percent, had been on records two years and over. In fact, 15,525, or 44.4 percent, of these patients were in the five years or more category of time on record. With a continuing low live release rate for these patients, a chronic backlog has gradually built up in the hospitals and the question is still largely unanswered as to what the department can do to successfully remedy the situation. Merely increasing the treatment level, as has been done in the past, does not appear to be a very effective approach. Possibly even more emphasis should be placed on getting patients out within a few months after first admission, but under present treatment concepts this is becoming increasingly more difficult and expensive so it must be weighed against other alternatives. It is possible that better overall results could be obtained, for instance, by moving some of these resources to expand the treatment program for mentally deficient patients.

The only approach that appears to have real potential in devising a more effective treatment approach and a better allocation of the department's resources is through research. By this method the department should first demonstrate on a pilot basis the effectiveness of new treatment concepts, thereby foregoing the much higher cost and frequently wasted effort resulting from placing into effect untried approaches. Further data on subcohorts are especially useful in assessing these problems and the department's efforts relative to the subcohorts of white schizophrenic civil commitments aged 25-44 years is a noteworthy example.

The cohort analysis approach has an important place as an aid in testing and casting new light on these problems. In spite of this, only a very limited part of the cohort program as originally proposed, and for which staffing was approved by the Legislature on a permanent basis, has been effectively used for this purpose. We have repeatedly urged the department to develop cohort material on the problem of readmissions and frequency of movement of patients, but very little has been accomplished so far, in spite of the fact that this appears to be a comparatively simple undertaking. Another area in which little progress has been made is in using cohort analysis to measure the effectiveness of various treatment approaches or methods. It should also be used in developing measure of severity of illness by types of patients and other factors. Admittedly some of these problems can be very complicated, but this does not release the department from its obligation for which staffing has already been provided by the Legislature and on which some progress should already have been made.

In April 1964 the department's Bureau of Management Analysis was assigned Management Survey No. 103 to study the cohort followup program, with a report due September 1, 1964. The scope of the survey follows:

Department of Mental Hygiene—Continued

“To formulate clearly defined objectives for the cohort followup program and to organize and staff the program so that effective results will be obtained on a continuing basis. The study will also encompass the relationships of the cohort program with the overall organization and staffing of the Biostatistics Section, and with the Bureau of Data Processing.”

While the report has been delayed, it is our understanding that a management survey report on the cohort program will be available to the Legislature sometime after January 1, 1965.

Last year in our Analysis of the Budget Bill for 1964-65, page 379, we recommended that the Legislature request the Department of Finance to clearly identify the cohort program in future budgets, including a complete listing of the specific positions authorized for the program. The only identification of the cohort program in the 1965-66 budget is the footnoting of the seven cohort positions in the salaries and wages supplement. This method of identification does not enable the Legislature to adequately determine just what the cohort program is and how much money and time is being devoted to it by the department. The Legislature has no assurance under this method of presentation that the money and positions assigned by the Legislature for the cohort program are, in fact, being devoted fully to the program.

Therefore, we again recommend that the Legislature direct the Department of Finance to clearly identify the cohort program in complete detail in future budgets so that the Legislature will have full knowledge of and control over this program.

We also again recommend, as we have in past years, that the Legislature instruct the Department of Mental Hygiene to give the cohort study its fullest support to insure maximum progress in this program during the coming year.

Evaluation criteria for the Department of Mental Hygiene's program of care and treatment for the mentally retarded should include a determination of the incidence of mental retardation in the civilian population of California so that a truly effective program to reduce the incidence can be planned and put into effect. Included in this determination of the incidence rate should be a further determination of the incidence of the various degrees of mental retardation so that a true picture of the problem can be developed. Services necessary for mildly retarded persons will vary considerably from services required for those who are severely retarded. An accurate determination of the population of each of the main categories of retardation is necessary if effective planning is to be carried out.

Carefully developed cost comparisons should be generated to provide a means to compare various types of care, so that cost factors can be used in developing or expanding treatment methods and facilities.

It would appear that cohort evaluation could well be applied to the mentally retarded program in the same manner it applies to the mentally ill program, and we therefore urge the department to explore the possible application of the cohort project to its mentally retarded hospitalization function.

Department of Mental Hygiene—Continued

Another potentially useful evaluation method would be to establish pilot studies at the various mental retardation activities to test new concepts and methods for the treatment and training of mentally retarded persons. Carefully controlled and evaluated pilot studies, based on prior studies and research, should enable the department to apply any successful treatment and training methods on a statewide basis with the result hopefully being a more effective and economical treatment program for mentally retarded persons.

Department of Mental Hygiene
DEPARTMENTAL ADMINISTRATION

ITEM 154 of the Budget Bill

Budget page 498

**FOR SUPPORT OF DEPARTMENTAL ADMINISTRATION
FROM THE GENERAL FUND**

Amount requested	\$12,410,062
Estimated to be expended in 1964-65 fiscal year	10,677,814

Increase (16.2 percent)	\$1,732,248
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TOTAL RECOMMENDED REDUCTION	\$13,380
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Summary of Recommended Reductions	Amount	Page	Line
From amount requested to maintain existing level of service :			
1 Supervising psychiatric social worker II	\$9,036	500	69
1 Intermediate typist-clerk	4,344	500	71

ANALYSIS AND RECOMMENDATIONS

The program plans and budget for departmental administration for 1965-66 is provided under the program plans and budget discussion in the summary of the Department of Mental Hygiene, commencing on page 515.

The request includes a proposed workload increase of 142 new positions at a total cost of \$1,133,266 for personal services, operating expense and related equipment.

Area of Duplication

A number of indefinite leave cases in the caseload of the Bureau of Social Service also fall under the purview of county welfare departments and the Department of Social Welfare by virtue of the fact that these persons are receiving some form of categorical aid. This duplication was pointed out by us before committees of the Legislature during the last budget hearings.

Despite this, we know of no concrete efforts being made so far by the two departments concerned to clarify the situation. While there may be justification for some duplication of services, it has not been advanced and the fact remains that many persons appear in the caseloads of the two departments. During the month of December 1964, 989 patients in a family care setting were the joint responsibility of the Department of Mental Hygiene's Bureau of Social Service and the Department of Social Welfare and were included in the caseloads of both programs and counted in the staffing ratios for both programs. This problem is likely to grow in magnitude in future years as the number of indefinite leave cases increase.

Departmental Administration—Continued

We recommend that the Department of Mental Hygiene and the Department of Social Welfare jointly work out an agreement to limit this duplication and that the Department of Mental Hygiene specifically justify any duplicative staff it proposes to carry over into the 1966-67 budget.

- 1 Supervising psychiatric social worker II
(budget page 500, line 69)----- \$9,036
- 1 Intermediate typist-clerk (budget page 500, line 71)----- 4,344

The position of supervising psychiatric social worker was authorized in the 1964-65 budget to provide consultation to the deputy director of hospital medical services and individual hospitals, with the typist-clerk providing clerical support. The positions were limited by the Legislature to June 30, 1965, and are now requested to be continued on a permanent basis.

We recommend that this request be denied for a savings of \$13,380 in salaries and wages.

In our 1964-65 analysis, we recommended disapproval of these positions on the basis that the department's justification failed to establish a real need for them. They were authorized, but limited to June 30, 1965. The supervising psychiatric social worker II position was requested to assist in getting patients out of the hospitals onto some form of categorical aid, and high priority was given to the need for the position. The position has not, as yet, been filled, a fact which raises a question about its true priority.

The department has been successful for the past several years in its efforts to release patients from the hospitals under categorical aid programs without this position. Procedures to accomplish this are now well established and the department has an extensive staff of psychiatric social workers in field offices and at the hospitals who are now carrying on this function. In view of these facts, we oppose the retention of these two positions beyond the termination date of June 30, 1965.

POLICY OPTIONS

Day Treatment Centers and Outpatient Clinics

The Short-Doyle Act, which became law on September 11, 1957, provides local mental health services in those cities and counties which elect to share the cost with the state. As originally enacted, the law provided for 50-50 cost sharing. This ratio was enriched in 1963 to allow a maximum state sharing of 75 percent in some categories of activity, with the local jurisdiction paying 25 percent of the cost. The program has expanded at a rapid rate, with 31 local jurisdictions currently participating, an increase of 11 over 1963-64, and it is expected that two additional jurisdictions will be approved for state reimbursement during 1965.

The Department of Mental Hygiene also operates three day treatment centers, one each in San Francisco, Los Angeles and San Diego, plus seven outpatient clinics. The clinics are located in Chico, Berkeley, Fresno, Los Angeles, Riverside, Sacramento and San Diego. All of

Departmental Administration—Continued

these units, except for the East Bay Clinic in Berkeley, are supported in full by state funds. The Berkeley clinic is operated with federal funds.

We have pointed out in previous analyses that there is now a lack of clear policy regarding the duplication resulting from these separate but similar activities. For example, Los Angeles and San Diego have extensive Short-Doyle mental health services, plus a day treatment center, plus an outpatient clinic. The Short-Doyle services are financed by the state and local jurisdictions, while the day treatment centers and outpatient clinics are wholly state financed.

We recommend to the Legislature the following policy options:

(1) *Direct the Department of Mental Hygiene to convert the existing wholly state-financed day treatment centers and outpatient clinics to Short-Doyle financing, with the provision that these units will be continued only under the Short-Doyle program.*

(2) *Direct the Department of Mental Hygiene to cease operating those units which have not entered the Short-Doyle program by June 30, 1966.*

As an example of the potential savings to the state under this option, the state would save \$426,724 in one year if all of the day treatment centers and outpatient clinics, less the federally funded clinic in Berkeley, were placed under Short-Doyle.

(3) *An alternative policy option to number two above would be to direct the Department of Mental Hygiene to confine these day treatment centers and outpatient clinics solely to the care and treatment of patients released from state mental hospitals. By having the units concentrate only on aftercare and the prevention of the patient's return to a state-run mental hospital, much of the present duplication could be reduced. Since it has been demonstrated that it costs the state considerably more to maintain a patient in an institutional setting than it does to care for him in his community, the state should realize extensive savings under this option.*

Department of Mental Hygiene

FAMILY CARE

ITEM 155 of the Budget Bill

Budget page 505

FOR SUPPORT OF FAMILY CARE FROM THE GENERAL FUND

Amount requested	\$4,135,450
Estimated to be expended in 1964-65 fiscal year	3,513,090
Increase (17.7 percent)	\$622,360

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS AND RECOMMENDATIONS

The program discussion for this item is contained in the summary discussion of the Department of Mental Hygiene.

The budget proposes \$4,135,450 for support of family care for fiscal year 1965-66.

We recommend approval as budgeted.

Department of Mental Hygiene
CARE AND TREATMENT OF MENTALLY RETARDED PERSONS
IN PRIVATE MEDICAL FACILITIES

ITEM 156 of the Budget Bill

Budget page 505

**FOR SUPPORT OF CARE AND TREATMENT OF MENTALLY
 RETARDED PERSONS IN PRIVATE MEDICAL FACILITIES
 FROM THE GENERAL FUND**

Amount requested	\$250,000
Estimated to be expended in 1964-65 fiscal year	250,000
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Increase	None

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS AND RECOMMENDATIONS

The program discussion for this item is contained in the summary discussion of the Department of Mental Hygiene.

The budget proposes \$250,000 for care and treatment of mentally retarded persons in private medical facilities for 1965-66.

We recommend approval as budgeted.

Department of Mental Hygiene
RESEARCH

ITEM 157 of the Budget Bill

Budget page 507

FOR SUPPORT OF RESEARCH FROM THE GENERAL FUND

Amount requested	\$1,201,000
Estimated to be expended in 1964-65 fiscal year	2,017,238
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Decrease (40.5 percent)	\$816,238

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS AND RECOMMENDATIONS

The program discussion for this item is contained in the summary discussion of the Department of Mental Hygiene.

A total of \$1,201,000 of new research expenditure authority is requested for the budget year. An undetermined amount of carryover authority from fiscal years 1963-64 and 1964-65 together with an anticipated but undetermined amount of additional federal funds are expected to maintain the level of research activity in the budget year at the approximate level of the current year.

We recommend approval as budgeted.

Department of Mental Hygiene
NEUROPSYCHIATRIC INSTITUTES

ITEM 158 of the Budget Bill

Budget page 511

**FOR SUPPORT OF THE NEUROPSYCHIATRIC INSTITUTES
 FROM THE GENERAL FUND**

Amount requested	\$7,758,316
Estimated to be expended in 1964-65 fiscal year	7,270,779
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Increase (6.7 percent)	\$487,537

TOTAL RECOMMENDED REDUCTION	None
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Neuropsychiatric Institutes—Continued

ANALYSIS AND RECOMMENDATIONS

The program discussion for this item is contained in the summary discussion of the Department of Mental Hygiene.

The budget proposes \$7,758,316 for support of the neuropsychiatric institutes in fiscal year 1965-66.

We recommend approval as budgeted.

**Department of Mental Hygiene
HOSPITALS FOR THE MENTALLY ILL**

ITEM 159 of the Budget Bill

Budget page 515

**FOR SUPPORT OF THE HOSPITALS FOR THE MENTALLY ILL
FROM THE GENERAL FUND**

Amount requested	\$111,514,888
Estimated to be expended in 1964-65 fiscal year	110,104,306

Increase (1.3 percent)	\$1,410,582
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TOTAL RECOMMENDED REDUCTION	\$2,083,114
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Summary of Recommended Reductions	Amount	Page	Line
From amount requested to maintain existing level of service:			
Camarillo			
1 Supervising cook I	\$6,573	519	40
Mendocino			
1 Supervising psychiatric nurse	8,400	523	6
Modesto			
Support—Modesto State Hospital	2,056,000	526	8
1 Psychiatric nurse	6,708	526	37
Stockton			
1 Baker I	5,433	531	44

PROGRAM PLANS AND BUDGET

The program plans and budget discussion for hospitals for the mentally ill for 1965-66 is included as a part of program plans and budget discussion in the summary of the Department of Mental Hygiene.

REVIEW OF AGENCY ACCOMPLISHMENTS

The review of agency accomplishments for hospitals for the mentally ill for 1963-64 is included as a part of the summary of the Department of Mental Hygiene, commencing at page 521.

ANALYSIS AND RECOMMENDATIONS

1 Supervising psychiatric nurse (budget page 523, line 6) ..	\$8,400
1 Psychiatric nurse (budget page 526, line 37)	6,708
1 Supervising cook I (budget page 519, line 40)	6,573
1 Baker I (budget page 531, line 44)	5,433

The supervising psychiatric nurse position is located at Mendocino State Hospital. The psychiatric nurse position is located at Modesto State Hospital. The supervising cook I position is located at Camarillo

Hospitals for the Mentally Ill—Continued

State Hospital. The baker I position is located at Stockton State Hospital.

We recommend the deletion of these 4 vacant positions for a savings of \$115,896 in salaries and wages.

The supervising psychiatric nurse position at Mendocino State Hospital has been continuously vacant since July 31, 1963. Its deletion would still leave Mendocino with eight supervising psychiatric nurse positions, which is the same number now authorized at Modesto State Hospital, a hospital for the mentally ill with a comparable population.

The psychiatric nurse position at Modesto State Hospital has been continuously vacant since February 15, 1963. The deletion of this long-term vacant position would still leave the hospital with a total of 81 psychiatric nurse positions.

The supervising cook I position at Camarillo State Hospital has been continuously vacant since January 30, 1963. Camarillo, like the other hospitals for the mentally ill, has been experiencing a steady decrease in its average resident population. The elimination of this position, vacant for some two years, would still allow the hospital a total authorized strength of eight supervising cook I positions.

The baker I position at Stockton State Hospital has been continuously vacant since December 31, 1963. The position became vacant when the hospital ceased its bread-baking operation, and the hospital has been purchasing commercially baked bread since then.

TABLE I
Average Daily Population Hospitals for the Mentally Ill

<i>Fiscal year</i>	<i>Average daily population</i>	<i>Change from prior year</i>	<i>Percent</i>
1959-60	36,207	—13	—
1960-61	35,584	—623	1.7
1961-62	34,745	—839	2.4
1962-63	34,191	—554	1.6
1963-64	32,927	—1,264	3.7
1964-65 *	30,656	—2,271	6.9
1965-66 *	28,659	—1,997	6.5

* Estimated

TABLE II
Admissions to Hospitals for the Mentally Ill

<i>Fiscal year</i>	<i>Admissions¹</i>	<i>Change from prior year</i>	<i>Percent</i>
1959-60	21,407	+1,223	—
1960-61	22,183	+776	2.3
1961-62	22,733	+550	2.5
1962-63	23,798	+1,065	4.7
1963-64	25,027	+1,229	5.2
1964-65 *	26,200	+1,173	4.7
1965-66 *	27,250	+1,050	4.0

¹ Does not include admissions for court observation only.

* Estimated

As can be seen from Table I, state maintained hospitals for the mentally ill have been experiencing a steady and at times dramatic drop in their resident population since fiscal year 1959-60.

Hospitals for the Mentally Ill—Continued

Admissions to hospitals for the mentally ill during this same period of time have shown an increase but have not risen in the same degree that the resident population has been declining. This is shown in Table II. All admission figures are for total admissions and readmissions to hospitals for the mentally ill, less admissions for court observation only. Court observation admissions average only about three to four days, and normally do not require nearly the same degree of time and effort that longer periods of residence for treatment do.

During this period of rapidly declining resident population, the department has requested and received substantial increases in staffing and money. For example, the department spent a total of \$114,097,840 in state funds during 1959-60. It is requesting a total of \$183,404,395 in General Fund support for 1965-66, an increase of \$69,306,555, or 60.7 percent, over the 1959-60 amount. The number of state operated hospitals for the mentally ill has remained the same during this time.

Overall, the department predicts a decline of 1,997 patients in its resident population in hospitals for the mentally ill during 1965-66. This number, added to the estimated decrease of 2,271 patients during 1964-65, makes a total estimated decrease of 4,268 resident patients in two years. This two-year decrease is 759 more than the estimated combined population of Mendocino and Modesto state hospitals (3,509) for 1965-66. In spite of a decrease of this magnitude, the department does not plan to close any of its hospitals for the mentally ill.

Modesto State Hospital will decline from an average population of 2,168 patients in 1963-64 to an estimated average population of 1,739 in 1965-66, a decrease of 429 patients. Estimated admissions to Modesto indicate no increase in 1965-66 over the 1964-65 figure of 890. Modesto State Hospital occupies a temporary World War II Army hospital, primarily of wooden construction, which was purchased from the federal government in 1946. It is the smallest state-maintained general hospital for the mentally ill.

We recommend that Modesto State Hospital be closed, with an estimated annual saving of \$2,056,000; and that the resident patients and appropriate staff be transferred to other state hospitals for the mentally ill.

The estimated yearly saving is based on information appearing in the 1965-66 budget request for Modesto, and makes allowance for the fact that feeding, clothing, medical and personal care, and related services and functions would have to be provided no matter where the patient is located. Most of the potential savings fall into the area of plant operation, maintenance, and administrative and supervisory costs. This estimate is conservative. If the transfer of patients and closing of the hospital were accomplished promptly, savings could be substantially increased.

The department's annual population movement figures clearly show that over the past few years there has been a significant drop in the resident population of hospitals for the mentally ill. Despite this fact, the number of authorized positions and operating costs have continued

Item 160**Mental Hygiene****Hospitals for the Mentally Ill—Continued**

by the department to convert the potential savings present into practical savings by closing what, in effect, is an unneeded hospital for the mentally ill.

The transfer of the projected resident population at Modesto of 1,814 patients (as of June 30, 1965) would result in an average increase of only 227 patients at each of the other hospitals for the mentally ill, except for Atascadero, which provides specialized services not adapted to this type of patient. This increase is well within the capacity of these hospitals as evidenced by the decline in their populations over the past five years.

Department of Mental Hygiene**HOSPITALS FOR THE MENTALLY RETARDED****ITEM 160 of the Budget Bill****Budget page 533****FOR SUPPORT OF THE HOSPITALS FOR THE MENTALLY RETARDED FROM THE GENERAL FUND**

Amount requested.....	\$46,134,679
Estimated to be expended in 1964-65 fiscal year.....	42,926,191
Increase (7.5 percent).....	\$3,208,488

TOTAL RECOMMENDED REDUCTION.....	\$26,982
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Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
From amount requested to maintain existing level of service:			
Pacific			
1 Intermediate stenographer	\$4,908	536	7
Sonoma			
1 Intermediate typist-clerk	4,344	539	29
1 Janitor	4,242	539	53
1 Refrigeration engineman	6,744	539	55
1 Carpenter I	6,744	539	56

PROGRAM PLANS AND BUDGET

The program plans and budget for hospitals for the mentally retarded for 1965-66 is included in the program plans and budget discussion in the summary of the Department of Mental Hygiene, commencing at page 520.

REVIEW OF AGENCY ACCOMPLISHMENTS

The review of agency accomplishments for hospitals for the mentally retarded for 1963-64 is included as a part of the summary of the Department of Mental Hygiene, commencing on page 522.

ANALYSIS AND RECOMMENDATIONS

The department requests a total of 120.6 new positions for hospitals for the mentally retarded for 1965-66 with a total proposed cost in salaries and wages of \$494,365. Included in this is a request for 116 new positions at a total cost of \$469,575 in salaries and wages to staff a new 200-bed unit for severely physically handicapped mentally retarded patients at Sonoma State Hospital.

Hospitals for the Mentally Retarded—Continued

3 Janitor (budget page 539, line 53)----- \$12,726

Three janitor positions are requested for the new unit at Sonoma State Hospital.

We recommend approval of \$8,484 in salaries and wages for two janitor positions and the deletion of \$4,242 in salaries and wages for one janitor position.

The department's established staffing standard for janitorial positions is one janitor for 15,000 square feet. Since the department states that the new unit at Sonoma State Hospital contains 30,740 square feet of public and nonward space, only two new janitor positions for the new unit are justified.

1 Refrigeration engineman (budget page 539, line 55)----- \$6,744

1 Carpenter I (budget page 539, line 56)----- 6,744

These two positions are requested on the basis of additional workload created by the new unit at Sonoma State Hospital.

We recommend a reduction of \$13,488 in salaries and wages for one refrigeration engineman and one carpenter I positions.

Each hospital for the mentally retarded currently is authorized one refrigeration engineman position. One additional position at Sonoma State Hospital would represent an increase of 100 percent. The addition of one 200-bed unit does not justify an increase of this magnitude for a hospital with a capacity of approximately 3,500 beds.

All of the four hospitals for the mentally retarded are now authorized three carpenter I positions. The addition of one position at Sonoma would increase this category by more than one-third. There is no justification for an increase of this size, based solely on the addition of one 200-bed unit. Since the unit in question is new, it should require little use of a carpenter for some years.

1 Intermediate typist-clerk (budget page 539, line 29)----- \$4,344

One intermediate typist-clerk position is requested for the personnel office at Sonoma State Hospital.

We recommend a reduction of \$4,344 in salaries and wages for one intermediate typist-clerk position.

The department proposes a new intermediate typist-clerk position for the personnel office at Sonoma State Hospital on the basis of a workload increase due to the opening of the new 200-bed unit. The approved staffing standard is one position for 250 authorized positions. The current authorized positions, plus the 116 new positions proposed for the new unit, plus a total of 86 ward nursing personnel to be added at Sonoma during 1964-65 and 1965-66 would put the total of authorized positions there at slightly less than 2,000. Based on the established staffing standard of one personnel clerk to 250 authorized positions, Sonoma would be justified in employing eight clerical positions in the personnel section. The personnel section at Sonoma is currently authorized eight and a half clerical positions, or one-half more than is justified by the staffing standard.

Hospitals for the Mentally Retarded—Continued

1 Intermediate stenographer (budget page 536, line 7)-----	\$4,908
2 Janitor (budget page 536, line 10)-----	8,904
1 Stationary engineer (budget page 536, line 12)-----	7,080

These four positions are requested for the new research center located at Pacific State Hospital.

We recommend approval of \$15,984 in salaries and wages for two janitor positions and one stationary engineer and a reduction of \$4,908 in salaries and wages for one intermediate stenographer.

The two janitor positions, temporarily established in 1964-65, will continue to serve the new research building at Pacific State Hospital and are based on approved staffing standards. The stationary engineer will also provide service for the new research center.

The intermediate stenographer position was established for one year only to support the added workload created by the new research center and is requested to be continued on a permanent basis. There are now sufficient stenographic positions authorized at Pacific State Hospital to meet any additional workload generated by the new center. Pacific is currently authorized 19 intermediate stenographer positions, more than any of the other three hospitals for the mentally retarded. For example, Sonoma State Hospital, the largest hospital for the mentally retarded, is currently authorized 14 intermediate stenographer positions. The currently authorized positions should be able to provide any stenographic support needed for the center without the creation of a new permanent position.

DEPARTMENT OF PUBLIC HEALTH

ITEM 161 of the Budget Bill

Budget page 542

**FOR SUPPORT OF THE DEPARTMENT OF PUBLIC HEALTH
FROM THE GENERAL FUND**

Amount requested -----	\$12,214,938
Estimated to be expended in 1964-65 fiscal year -----	10,963,316
Increase (11.4 percent) -----	\$1,251,622

TOTAL RECOMMENDED REDUCTION ----- \$2,246,935

Summary of Recommended Reductions

From amount requested to maintain existing level of service:

Division of Administration	Total Amount	General Fund	Federal	Budget Page Line	
Divisional Administration					
1. 1 Intermediate stenographer---	\$4,674	\$4,674	--	543	57
Bureau of Personnel and Training					
2. 2 Intermediate typist-clerk ---	8,688	8,688	--	543	66
0.8 Temporary help -----	3,231	3,231	--	543	67
Vital Statistics Registration Program					
Division of Administration					
3. Bureau of Vital Statistics ---	507,725	507,725	--	543	38
Division of Research -----	260,135	260,135	--	550	29
Division of Community Health Services					
Bureau of Nursing					
4. Temporary help -----	2,467	2,467	--	545	36

Public Health

Item 161

Summary of Recommended Reductions—Continued

	Total Amount	General Fund	Federal	Budget Page Line	
Division of Dental Health					
5. Division of Dental Health ---	103,580	103,580	--	545	78
Division of Environmental Sanitation					
Bureau of Vector Control					
6. 12 Vector control specialists --	129,629	129,629	--	546	56
Transfer \$129,629 to University of California (Item 103) -----	+129,629	+129,629	--	--	--
Motor Vehicle Emissions Facility					
7. Motor Vehicle Emissions Facility -----	100,573	100,573	--	547	16
Division of Laboratories					
Sanitation and Radiation Laboratory					
8. 1 Assistant public health chemist -----	7,800	7,800	--	547	58
1 Laboratory assistant I -----	4,044	4,044	--	547	60
Equipment					
9. 2 Better Built Turbomatic washers -----	14,290	14,290	--	547	79
Division of Preventive Medical Services					
Bureau of Chronic Disease Control					
10. 1 Public health medical officer III -----	8,440	8,440	--	549	4
1 Food and drug inspector IV -----	5,220	5,220	--	549	4
1 Food and drug inspector II -----	3,714	--	\$3,714	549	4
1 Senior stenographer -----	2,916	2,916	--	549	4
1 Intermediate stenographer-clerk -----	2,640	--	2,640	549	4
Bureau of Communicable Diseases					
11. 0.66 Public health veterinarian -----	8,064	8,064	--	549	4
0.5 Intermediate typist-clerk --	2,574	2,574	--	549	4
12. 1 Public health veterinarian --	10,704	10,704	--	549	4
1.25 Clerical -----	7,440	7,440	--	549	4
Bureau of Maternal and Child Health					
13. 1 Rural health medical consultant -----	18,768	18,768	--	549	4
Bureau of Hospitals					
14. 1 Associate construction analyst -----	9,948	9,948	--	549	52
1 Architectural assistant -----	8,196	8,196	--	549	53
1 Hospital field representative -----	7,428	7,428	--	549	54
15. Regional Hospital Planning Program					
Division of Administration					
Bureau of Administrative Services					
1 Intermediate stenographer --	4,064	4,064	--	543	38
Division of Preventive Medical Services					
Bureau of Hospitals					
1 Regional chief -----	10,494	10,494	--	549	4
2 Consultant in hospital planning -----	17,099	17,099	--	549	4
1 Intermediate stenographer --	4,064	4,064	--	549	4
1 Intermediate typist-clerk -----	3,778	3,778	--	549	4
16. Prevention of Blindness Unit					
1 Supervisor -----	13,992	13,992	--	549	4
1 Associate statistician -----	9,948	9,948	--	549	4
1 Health education consultant -----	9,948	9,948	--	549	4
1 Senior stenographer -----	6,120	6,120	--	549	4
1 Intermediate typist-clerk -----	5,148	5,148	--	549	4
17. Occupational Health Program					

Item 161

Public Health

Summary of Recommended Reductions—Continued

Division of Preventive Medical Services	Total Amount	General Fund	Federal	Budget Page	Line
Bureau of Occupational Health ---	364,400	364,400	--	550	4
Division of Laboratories					
Air and Industrial Hygiene Laboratory	114,925	114,925	--	547	57
18. Division of Research					
0.3 Temporary help	1,870	--	1,870	550	35
19. General Fund—Replacement of Federal Funds	506,050	506,050	--	551	24
20. Economic Conversion Project---	100,00	70,000	30,000	551	24
21. Special Project Activities					
Dental Hypoplasias	29,750	--	29,750	558	33
Longitudinal Study of Changes in Drinking Practices ---	135,000	--	135,000	557	73
Organo-phosphorous Resistant Mosquitoes	3,000	--	3,000	558	27
Biologic Control of Mosquitoes	14,000	--	14,000	558	29
From amount requested for new or improved services:					
Division of Administration					
Bureau of Administrative Services					
1. 1 Stationary engineer	\$6,744	--	\$6,744	543	62
1 Building maintenance man---	5,436	--	5,436	543	63
0.8 Temporary help	3,711	--	3,711	543	64
Division of Community Health Services					
Divisional Administration					
2. 1 Public health officer III ---	14,700	--	14,700	545	34
Division of Preventive Medical Services					
Bureau of Crippled Children Services					
3. 1 Public health medical officer III	16,212	--	16,212	549	39
1 Social work consultant I ---	8,196	--	8,196	549	40
1 Intermediate typist-clerk ---	4,560	--	4,560	549	41
Bureau of Maternal and Child Health					
4. 1 Public health medical officer III	19,704	--	19,704	549	45
1 Intermediate stenographer -	4,674	--	4,674	549	47
5. 1 Associate social research analyst	11,520	--	11,520	549	46
0.1 Temporary help	1,000	--	1,000	549	48
	\$2,563,366	\$2,246,935	\$316,431		

PROGRAM PLANS AND BUDGET

The State Department of Public Health's 1965-66 budget proposes \$77,271,290 to support 17 public health programs. These programs encompass Items 161 through 163 and 295 through 301 of the Budget Bill. The following is a summary of the proposed cost and proposed activity of each of these programs:

(1) Vital Statistics Registration

The department maintains a permanent central registry of vital records including birth, death, marriage, divorce, annulment and other records which have some relationship or impact on the residents of the state. These records emanate from each of California's 58 counties. The budget proposes \$797,898 to support this program. The cost of this program will be partially offset by gross receipts and reimbursements which are estimated to total \$200,000. This involves:

Program Plans and Budget—Continued

(a) Registration of an estimated 370,000 live births; 158,000 deaths; 4,800 fetal deaths; 138,000 marriages, 50,000 divorces and 6,100 annulments. An additional 34,940 ancillary records are estimated to be submitted for registration.

(b) Furnishing 89,500 copies of the records of these events.

(c) Providing 500 hours of consultation and training to local registration personnel.

(d) Furnishing vital data to local health departments and other programs within the department.

(2) **Alcoholic Rehabilitation**

The department conducts an alcoholic rehabilitation program which is designed to prevent or minimize illness, disability and premature death from alcoholism and other excessive and undesirable uses of alcohol. The budget proposes \$1,363,699 to support this program. This involves:

(a) Supporting the operation of eight community alcoholism clinics providing treatment to an estimated 6,000 to 6,500 alcoholic patients. Other operations will include the support of the demonstration alcoholic rehabilitation project at the Los Angeles County Sheriff's Department's Saugus Rehabilitation Center, the U.C.L.A. Alcoholism Research Clinic, and rehabilitative activity such as the partial support of six alcoholic recovery houses.

(b) Investigating the various methods of treatment and rehabilitation and factors contributing to the excessive use of alcohol.

(c) Supporting various training activities.

(d) Consulting with local health and other social agencies, hospitals, and private physicians as to prevention, diagnosis, treatment and rehabilitation.

(3) **General Assistance to Local Health Departments and Other Community Agencies.**

The department promotes and supports effective and efficient community health organizations, both official and voluntary, in an effort to assure high quality public health practices at all governmental levels. The budget proposes \$8,074,795 to support this program. This involves:

(a) Assisting communities, local health departments and other official and nonofficial agencies in identifying and meeting health problems and developing and establishing health services.

(b) Providing departmental field services, educational materials, laboratory support, and consultation in all aspects of public health administration, program planning and development.

(c) Administering a subvention program for 44 recognized local health departments in the proposed amount of \$6,286,748.

(d) Assuring the availability of basic public health services by providing such services, by contract, to 15 counties which have a population of less than 40,000 in the proposed amount of \$577,549. The number of contract counties will be reduced to 15 with the dropping of El Dorado County which is estimated to have a population in excess of 40,000 as of July 1, 1965.

(4) **Dental Health**

Program Plans and Budget—Continued

The department provides educational and consultive services to improve and protect the dental health of the public. The budget proposes \$168,362 to support this program. This involves:

(a) Developing, demonstrating and evaluating dental public health measures for the control and prevention of oral diseases and oral health hazards.

(b) Carrying out epidemiology investigations of oral diseases.

(c) Assisting state and local public agencies, voluntary health agencies, private organizations and communities in developing dental health programs and in obtaining adequate dental care facilities.

(d) Developing and disseminating dental health information.

(5) Air Sanitation

The department conducts an air sanitation program involving protection of the public from polluted air, reduction of air pollution, determination and measurement of the nature, causes and extent of air pollution, determination of the effects of air pollution on humans, plants and animals, prevention of air pollution in areas now free from air pollution. The budget proposes \$1,273,187 to support this program. This is accomplished by:

(a) Setting standards for ambient air quality.

(b) Setting standards for emissions from motor vehicles. The Motor Vehicle Pollution Control Board subsequently tests motor vehicle pollution control devices for compliance with these standards.

(c) Operating 16 statewide air monitoring stations to measure air quality.

(d) Conducting investigations and research on the nature, occurrence and causes of air pollution.

(e) Assisting the eight air pollution control districts serving 13 counties as well as local health departments in the evaluation and control of local air pollution problems.

(f) Conducting studies of the effects of air pollution on the health of selected groups in the population.

(g) Developing and improving laboratory methods for determination of air pollutants.

(6) Food and Drug Control

The department conducts a food and drug control program through licensing, inspection, investigations, consultation and laboratory studies. The budget proposes \$1,354,255 to support this program. This program:

(a) Assures that food is safe, wholesome, produced under sanitary conditions, conforms to prescribed standards, and is properly labeled, advertised and served. An estimated 897 licenses will be issued to six food industries including frozen food lockers, cold storage warehouses, egg processors, horse meat slaughterers and distributors, walnut shellers and olive oil producers and distributors. An estimated total of 9,065 inspections of all food industries will be made, 900 citations will be issued, 540 referrals will be made for prosecution and 1,800 official food samples will be taken.

(b) Assures that drugs and cosmetics are formulated from pure, high quality ingredients, are free from adulteration and are properly

Program Plans and Budget—Continued

labeled. An estimated 335 inspections will be made, 100 citations issued, 60 referrals for prosecution will be made and 600 official samples will be taken.

(c) Enforces laws against deceit and fraud in the sale of drugs, health devices, food and cosmetics and the informative labeling required on hazardous substances to warn against careless or harmful use. An estimated total of 180 inspections of cosmetics and hazardous substances will be made and 105 telephone interviews regarding cosmetic and hazardous substances will be completed.

(d) Conducts specialized investigations where clandestine or illegal operations involving fraud or quackery is suspected. An estimated total of 180 investigations of fraud will be made.

(e) Carries out a restaurant sanitation program in furtherance of the state's Restaurant Act.

(7) Radiological Health

The department provides services to identify sources and magnitude of exposure to ionizing radiation, to assess and evaluate the public health significance of such exposure, and minimize human exposure. The budget proposes \$855,441 to support this program. This involves:

(a) Registering an estimated 23,000 X-ray machines and inspecting 15,000 X-ray installations to assure and maintain their safety.

(b) Regulating radioactive material use through the licensure of an estimated 1,050 users and the inspection of 1,100 licensees.

(c) Continuing analyses and studies of air, water, milk, foods and other media, to determine extent of radioactivity.

(8) Water Sanitation

The department provides for the delivery of a safe, wholesome and potable water supply from community water utilities and the collection, treatment, reclamation and disposal of sewage or other liquid waste without hazard to public health. The budget proposed \$1,304,505 to support this program. This involves:

(a) An estimated 29.8 man-years of activity in enforcing statutory requirements for the operation of water utilities.

(b) An estimated 850 periodic investigations to assure the continuous delivery of pure, wholesome and potable water and the proper operation of water systems and facilities.

(d) An estimated 18.7 man-years of activity in enforcing statutory requirements for collection, treatment, reclamation and disposal of sewage and industrial wastes.

(e) Investigation of waste collection and disposal practices.

(f) Providing technical consultation on sanitary engineering matters to other official and nonofficial agencies.

(g) Evaluating new techniques, processes and chemicals for water purification.

(h) An estimated two man-years of activity in regulating sanitation and safety at public bathing places.

(9) Vector Control

The department works in cooperation with other agencies to provide consultation on methods to be employed in reducing vector-borne dis-

Program Plans and Budget—Continued

eases and eradicating pest animals. The budget proposes \$841,929 to support this program. This involves:

- (a) Conducting vector surveys.
- (b) Providing specialized training for individuals and groups.
- (c) Performing demonstrations and needed operational research.
- (d) Identifying vector species.
- (e) Providing consultation to other agencies in the following numbers and types:

1. An estimated 255 mosquito, aquatic gnat and terrestrial gnat control consultations;
2. An estimated 125 domestic fly control consultations;
3. An estimated 110 field and domestic rodent control consultations;
4. An estimated 40 ectoparasite control consultations;
5. An estimated 50 miscellaneous noxious animal control consultations;
6. An estimated 235 consultations relative to vector control problems in refuse, water and recreational area management.

(f) Carrying out a mosquito control research program in the estimated amount of \$129,629. This program was previously carried as a mosquito subvention item.

(g) Administering a gnat control research subvention in the proposed amount of \$50,000.

(10) Chronic Disease Control

The department provides services for the control and prevention of chronic diseases. The budget proposes \$2,562,151 to support this program. This is accomplished by:

(a) Developing, demonstrating and evaluating new or improved specific chronic disease diagnostic, treatment and control measures.

(b) Carrying out epidemiological and laboratory investigations of chronic diseases.

(c) Consulting with local health departments and other social agencies, hospitals and private physicians on the application of preventive measures and methods for the early identification of chronic diseases, particularly heart disease, cancer, diabetes, neurologic and sensory diseases including blindness.

(d) Administering the law regarding cancer quackery. Since the cancer law was adopted in 1959, six cancer treatments have been ruled unlawful and two treatments were considered in public hearings in October 1964. Ten practitioners have been investigated without subsequent action and more than 130 are known to require investigation. This law expires as of December 31, 1965.

(e) Providing health services for population groups with special health problems.

(f) Carrying out a series of studies of publicly supported medical care programs relating to the control of chronic diseases.

(11) Communicable Disease Control

The department provides services for the control and prevention of communicable diseases. The budget proposes \$7,935,471 to support this program. This is accomplished by:

Program Plans and Budget—Continued

(a) Developing, demonstrating and evaluating new or improved specific communicable disease diagnostic and control measures.

(b) Carrying out epidemiologic and laboratory investigations of communicable diseases.

(c) Consulting with local health departments and other social agencies, hospitals and private physicians on the application of preventive measures and methods for the early identification of communicable diseases, particularly venereal disease, tuberculosis, and viral diseases.

(d) The budget proposes the subvening of \$3,271,528 to counties for the partial support of tuberculosis sanatoria.

(e) Administering laws regarding protection of the public from communicable disease.

(f) Providing specialized diagnostic services to practicing physicians, clinical laboratories, local health departments and other agencies.

(g) Providing health services for population groups with special health problems.

(h) Carrying on a tuberculosis research and testing program.

(12) Crippled Children Services

The department provides diagnostic services for all physically handicapped children and treatment services for physically handicapped children who are eligible because their parent or guardians are unable to finance necessary care. Program costs are shared with the counties. The budget proposes \$14,007,711 to support this program. This involves:

(a) Establishing standards for diagnosis and care including consultation in the maintenance of such standards.

(b) Continuing evaluation of diagnostic and treatment methods.

(c) Administering a subvention program providing funds and services for diagnosis and treatment of crippled children in the proposed amount of \$10,778,978.

(d) Administering a subvention program providing therapy treatment to physically handicapped children in special school facilities in the proposed amount of \$2,109,050 to support 259 man-years of therapy services.

(e) Planning and consulting in the provision of treatment and rehabilitation services.

(f) Maintaining records on these children.

(13) Health Facilities Development

The department promotes and endeavors to assure an adequate number of properly located, staffed and equipped hospitals and related facilities. The budget proposes \$34,450,558 to support this program. This involves the development and administration of:

(a) Health facility standards and licensing. An estimated 564 hospitals and 1,140 nursing homes will be licensed and inspected.

(b) Public health and clinical laboratory licensing. An estimated 2,000 permits will be issued to both privately and publicly operated laboratories in calendar year 1965. An estimated 11,000 clinical laboratory technologist licenses will be renewed, 1,200 technologists will be admitted to examination and 1,850 technologist trainee certificates issued. A total of 500 clinical bioanalyst licenses will be renewed and 65

Program Plans and Budget—Continued

bioanalysts will be admitted to examination. A total of 30 public health microbiologists will be certified by examination.

(c) An estimated 50 blood bank, 11 tissue bank, seven biologic producer, and 470 laboratory animal facility licenses and certificates will be issued in calendar year 1965.

(d) Joint state and federal financial assistance will be provided for community health facilities including a new activity furnishing support of mental retardation and community mental health center facilities construction. Administering a subvention program for hospital, mental retardation facility and community mental health center construction will require the proposed amount of \$33,185,998.

(e) Statewide and regional health facilities and services planning. The regional hospital planning law expires 91 days after the close of the 1965 Session of the Legislature.

(f) Consultation to improve the standards of health services.

(g) Carrying out a series of studies of publicly supported medical care programs which bear on the development of health facilities.

(14) Maternal and Child Health Services

The department provides services for promoting the health and reducing illness and premature death among children and mothers. The budget proposes \$636,585 to support this program. This involves:

(a) Developing, demonstrating and evaluating measures for improving family health.

(b) Carrying out epidemiologic investigations of diseases and injuries of children and mothers.

(c) Developing and setting standards for family health services for population groups with special health problems such as farm workers.

(d) Consulting with local health departments and other social agencies, hospitals and private physicians on the application of preventive measures and methods for early identification of childhood diseases, particularly diseases affecting sound human growth and development.

(e) Carrying out a series of studies of publicly supported medical care programs related to the maternal and child health area.

(15) Occupational Health

The department maintains an occupational health program which is investigative, consultative and advisory in nature. The budget proposes \$599,064 to support this program. This involves:

(a) Assisting local health departments in the development of programs for detecting, preventing and correcting health hazards in industry. Some 86 percent of the state's population currently resides in jurisdictions which are served by health departments with some occupational health activity.

(b) Providing consultation and educational programs to professional, industrial and laboratory groups interested in occupational health studies of industrywide problems affecting large segments of the working population.

(c) Providing consultation in occupational health and industrial hygiene to the several departments of state government, particularly the State Department of Industrial Relations.

Program Plans and Budget—Continued

(d) Performing necessary epidemiologic and laboratory evaluations of environmental hazards.

(e) Providing direct service to industry in the study of occupational health hazards where other resources are not available.

(f) Collecting, analyzing and publishing occupational health statistics.

(16) Training, Licensing and Certifying of Personnel

The department assures that certain categories of health personnel are properly qualified and in adequate supply. The budget proposes \$550,196 to support this program. This involves:

(a) Administering, licensing and certifying programs for technical personnel in laboratory, sanitation and otologic sciences. An estimated 875 California Public Health Nursing certificates will be issued.

(b) Offering training programs for professional and technical personnel at state and local levels to increase health manpower as well as disseminating current technical knowledge. Specialized training will be offered to an estimated 170 state employed trainees. Another 2,200 state employees will participate in training programs totaling 40,000 man-hours. A total of 60 technical and professional training programs will be offered to local health department personnel. Short-term training grants will be issued to 180 local health department employees.

(c) Providing financial support to assist an estimated ten qualified individuals in obtaining necessary academic and other types of training for positions in the health field.

(d) Participating in public health related academic programs offered at various campuses of the University of California.

(e) Working with other state agencies toward maintaining professional standards.

(17) Miscellaneous Services for Other Agencies

Because of the department's specialized staff and laboratory capabilities, the department offers to perform various services for local, state and federal agencies. Most of these services, which are not the direct responsibility of the department, are financed through reimbursement contracts. The budget proposes \$495,483 to support this program, a substantial amount of which will be included in expenditures of other agencies. Although many of these services will be of an unknown nature, it can be anticipated that services to federal agencies will continue to include:

(a) Continuing samples of the births and deaths in California to the National Office of Vital Statistics.

(b) Providing, periodically, specific health information to other federal agencies.

It is anticipated that services to other state agencies will continue to include:

(a) Laboratory services to Motor Vehicle Pollution Control Board, State and Regional Water Pollution Control Boards, and the Department of Natural Resources.

(b) Nutrition services to the Department of Education in connection with their residence schools.

Program Plans and Budget—Continued

(c) Consultation services on highway safety to the Department of Motor Vehicles.

(d) Survey, consultation and inspection of sanitation in state institutions.

It is anticipated that services to local agencies will continue to include:

(a) Temporary loan of technical personnel when local health agencies are unable to maintain sufficient manpower.

(b) Providing statistical information in summary or punched card form.

REVIEW OF AGENCY ACCOMPLISHMENTS

The Department of Public Health's 1963-64 budget totaled \$70,235,463 for the support of 17 public health programs, while the actual cost of carrying out these programs totaled \$62,417,716, a saving of approximately \$8 million. Following is a brief summary of the costs and activity of each of these programs:

(1) Vital Statistics Registration

The budget provided \$733,163 for the support of this program. The actual cost of this program was \$727,599. The cost of this program was partially offset by gross receipts and reimbursements which are estimated to total \$186,000.

(2) Alcoholic Rehabilitation

The budget provided \$1,564,210 for the support of this program. The actual cost of this program was \$1,284,683. The program supported eight community alcoholism clinics which treated 5,184 alcoholic patients.

(3) General Assistance to Local Health Departments and Other Community Agencies

The budget provided \$8,296,429 for the support of this program. The actual cost of this program was \$8,405,575. The program included the administration of a \$6,309,188 subvention for 45 recognized local health departments and the provision of basic public health services by contract to 16 counties with less than 40,000 population in the total amount of \$531,020.

(4) Dental Health

The budget provided \$227,884 for the support of this program. The actual cost of this program was \$225,975.

(5) Air Sanitation

The budget provided \$1,184,149 for the support of this program. The actual cost of this program was \$1,173,412. The program assisted the seven air pollution control districts serving 12 counties and local health departments who are involved in the evaluation and control of local air pollution problems.

(6) Food and Drug Control

The budget provided \$1,225,733 for the support of this program. The actual cost of this program was \$1,251,059. The program assured that food was safe, wholesome, produced under sanitary conditions, conformed to prescribed standards and was properly labeled, advertised

Review of Agency Accomplishments—Continued

and served. A total of 866 licenses were issued to six food industries including frozen food lockers, cold storage warehouses, egg processors, horse meat slaughterers and distributors, walnut shellers and olive oil producers and distributors and a total of 7,549 inspections were made of all food industries, 817 citations were issued, 438 referrals for prosecution were made and 1,676 official food samples were taken. Drugs and cosmetics were kept under surveillance to assure that they were formulated from pure, high quality ingredients, were free from adulteration and properly labeled. A total of 367 inspections of drug industries were made, 13 citations issued, 14 referrals for prosecution were made and 40 official samples were taken.

Laws relating to deceit and fraud in the sale of drugs, health devices, food and cosmetics and the informative labeling required on hazardous substances were enforced. A total of 162 inspections of cosmetics and hazardous substances were made and 84 telephone interviews regarding cosmetics and hazardous substances were completed. A total of 122 specialized investigations were conducted where clandestine or illegal operations involving fraud or quackery were suspected.

(7) Radiological Health

The budget provided \$868,052 for the support of this program. The actual cost of this program was \$697,656. A total of 20,893 X-ray machines were registered and 13,647 X-ray installations were inspected to assure and maintain their safety. Radioactive material use was regulated through the licensing of 877 users and the inspection of 782 of these licensees.

(8) Water Sanitation

The budget provided \$1,042,066 for the support of this program. The actual cost of this program was \$1,226,064. This program provided a total of 29.1 man-years of activity to enforce the statutory requirements for the operation of water utilities and 876 periodic investigations were conducted to assure the continuous delivery of a pure, wholesome and potable water supply and the proper operation of water systems and facilities.

A total of 18.5 man-years of activity was required to enforce statutory requirements for collection, treatment, reclamation and disposal of sewage and industrial wastes and a total of 1.4 man-years of activity was required to regulate sanitation and safety at public bathing places.

(9) Vector Control

The budget provided \$951,766 to support this program. The actual cost of this program was \$971,934. The program conducted 149 vector surveys and provided specialized training for 803 individuals and 52 groups. A total of 245 mosquito, aquatic gnat and terrestrial gnat control, 93 domestic fly control, 98 field and domestic rodent control, 33 ectoparasite control and 45 miscellaneous noxious animal control consultations were rendered to other agencies. An additional 214 consultations were rendered to other agencies relative to vector control problems in refuse, water and recreational area management. The program included the administration of a \$213,517 mosquito control sub-

Review of Agency Accomplishments—Continued

vention involving research as well as contracts for the reporting of mosquito incidence among 34 local mosquito agencies.

(10) Chronic Disease Control

The budget provided \$2,382,791 for the support of the program. The actual cost of this program was \$2,203,984.

(11) Communicable Disease Control

The budget provided \$5,556,715 for the support of this program. The actual cost of the program was \$5,044,629. The program included the administration of a \$3,140,418 subvention to counties for the partial support of tuberculosis sanatoria.

(12) Crippled Children Services

The budget provided \$13,836,755 for the support of this program. The actual cost of this program was \$10,729,690. The program included the administration of an \$8,481,463 subvention which provided funds and services for diagnosis and treatment of crippled children. Also administered was a \$1,403,589 subvention which provided 185 man-years of therapy treatment to physically handicapped children in special school facilities.

(13) Health Facilities Development

The budget provided \$29,980,966 for the support of this program. The actual cost of this program was \$26,469,382. A total of 566 hospitals and 948 nursing homes were licensed and inspected, 1,524 permits were issued to both privately and publicly operated laboratories in calendar year 1963. A total of 9,068 clinical laboratory technologist licenses were renewed, 1,145 technologists were admitted to examination and 1,682 technologist trainee certificates were issued. A total of 406 clinical laboratory bioanalyst licenses were renewed, 41 bioanalysts were admitted to examination and 41 public health microbiologists were certified by examination.

Other licensing and certification activity involved 41 blood banks, 11 tissue banks, eight biologic producers and 461 laboratory animal facilities in calendar year 1963. The program included the administration of a \$25,310,568 subvention providing joint state-federal financial assistance for the construction of community health facilities. Planning was also carried on relative to statewide and regional health facilities and services.

(14) Maternal and Child Health Services

The budget provided \$872,387 for the support of this program. The actual cost of the program was \$592,518.

(15) Occupational Health

The budget provided \$553,417 for the support of this program. The actual cost of this program was \$563,695.

(16) Training, Licensing and Certifying the Personnel

The budget provided \$549,751 for the support of this program. The actual cost of this program was \$433,507. Personnel engaged in laboratory, sanitation and otologic sciences were licensed and certified under this program and some 710 California Public Health Nursing certificates were issued. Training programs were offered to professional and technical personnel at state and local levels to increase health man-

Review of Agency Accomplishments—Continued

power as well as dissemination of current technical knowledge. This included 153 state employed trainees who attended 114 specialized training courses and another 2,073 state employees who participated in training program totaling 35,678 man-hours. These training programs also included the 50 technical and professional training programs which were conducted for local health department personnel and short-term training grants were issued to 159 employees of local health departments.

(17) Miscellaneous Services for Other Agencies

The budget provided \$409,229 for the support of this program. The actual cost of this program was \$416,354. Services to federal agencies under this program included continuing samples of the births and deaths in California to the National Office of Vital Statistics and the provision of specified health information to other federal agencies. Services to other state agencies included laboratory services to Motor Vehicle Pollution Control Board, State and Regional Water Pollution Control Boards and the Department of Natural Resources. Nutrition services were rendered to the Department of Education in connection with their residence schools. Consultation services were furnished on highway safety to the Department of Motor Vehicles and surveys, consultation and inspection of sanitation in state institutions. Services to local agencies included temporary loan of technical personnel when local health agencies were unable to maintain sufficient manpower and the provision of statistical information in summary or punched card form.

The 17 public health programs are directed towards the objective of preventing disease and providing a healthful environment for the people of California. These programs should be evaluated in terms of their success in achieving this objective through the prevention, control or eradication of disease.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an appropriation of \$12,214,938 from the General Fund for the support of the Department of Public Health in the 1965-66 fiscal year. The proposed appropriation is \$1,251,622, or 9 percent, more than that which is estimated to be expended during the current year.

DIVISION OF ADMINISTRATION

Divisional Administration

1 Intermediate stenographer (budget page 543, line 57)----- \$4,674

This position is proposed to provide stenographic and other clerical services to the public information officer and the administrative analyst.

We recommend a reduction of \$4,674 in salaries and wages for one intermediate stenographer.

We have been advised that clerical assistance is presently being provided to these two positions and therefore see no justification for approving an additional clerical position to provide such assistance.

Division of Administration—Continued

Bureau of Administrative Services

1 Stationary engineer (budget page 543, line 62)-----	\$6,744
1 Building maintenance man (budget page 543, line 63)-----	5,436
0.8 Temporary help (budget page 543, line 64)-----	3,711

These positions, which are proposed to be financed from federal special project overhead, were established administratively as temporary help positions during the current year and are proposed during the budget year to assist in the operation of the newly acquired Fairfield Animal Care Facility.

We recommend a reduction of \$15,891 in salaries and wages for one stationary engineer, one building maintenance man and 0.8 temporary help.

The opening of the Fairfield Animal Care Facility represents a substantial expansion of the Department of Public Health's animal care activity. The facility is located on a 68-acre former Nike site which was declared to be surplus to the needs to the federal government and acquired by the state as of June 1964.

The facility proposes to breed and colonize pathogen free animals. Two-thirds of these animals will serve the needs of the department's Cancer Research Special Project and the remaining one-third of the animals will serve the research needs of other units of the department. While a 13-man animal care staff has been, or will be, transferred to the facility from the Berkeley headquarters of the department, the additional 2.8 positions which are proposed for the budget year represents an expansion of the animal care staff. All of the positions which are needed to man this facility should involve the transfer of presently authorized positions from Berkeley.

No facts have been provided supporting statements that an adequate supply of pathogen free laboratory animals cannot be purchased from or developed by existing commercial sources.

No information has been provided which substantiates references to "substantial savings" which will accrue to the Department of Public Health from breeding and colonizing its own animals at the facility compared with the purchase of animals from outside sources. There are indications that the facility might also supply the University of California with laboratory animals on a reimbursable basis. This could be the first step in a series of agreements under which the department would undertake to serve as a large scale supplier of laboratory animals to meet the animal needs of researchers throughout the State of California or the West. This would result in a substantial expansion of an animal care staff to serve needs which are certainly not within the purview of or part of the essential responsibility of the Department of Public Health.

Bureau of Personnel and Training

2 Intermediate typist-clerk (budget page 543, line 66)-----	\$8,688
0.8 Temporary help (budget page 543, line 67)-----	3,231

These positions are proposed to handle the increased personnel workload relating to special projects and regular employees of the department.

Division of Administration—Continued

We recommend a reduction of \$11,919 in salaries and wages for two intermediate typist-clerk and 0.8 of temporary help.

One clerical position was temporarily transferred from the Bureau of Chronic Diseases to the Bureau of Personnel and Training to meet the workload needs of the bureau during the current year. The re-assignment of this clerical position would seem to indicate that the clerical needs of the Bureau of Chronic Diseases are such that this position can continue to be assigned to the personnel office rather than being returned to the Bureau of Chronic Diseases as is proposed for the budget year.

Workload related to special project positions should continue to decrease during the current and budget years. This is indicated by the fact that the originally projected staff increase in special projects from 169 in 1962-63 to 315.5 in 1964-65, or an increase of 146.5 special project positions has not materialized. This is, in large part, due to the action of the 1964 Legislature in limiting special project expenditures. The proposed budget has revised the estimated number of 1964-65 special project employees downward from the original 315.5 to a new total of 241.5, or 74 positions less than were projected only one year ago. It should also be noted that only 224 special project positions are proposed for the budget year, or 17.5 positions less than the 241.5 positions which are now projected for the current year.

VITAL STATISTICS REGISTRATION PROGRAM

Bureau of Vital Statistics (budget page 543, line 38)----- \$507,725

Division of Research (budget page 550, line 29)----- 260,135

The department proposes to maintain the vital statistics registration program with a total expenditure of \$767,860 per year. This includes the support of the existing 69.5 man staff, plus two proposed clerical positions, in the Bureau of Vital Statistics at a total cost of \$507,725 during the budget year. This also includes the support of a 32 man vital statistics registration related data processing staff in the Division of Research at a total cost of \$260,135 during the budget year.

We recommend that the Bureau of Vital Statistics be abolished for a savings of \$507,725 and that the data processing activity related to the vital statistics registration program in the Division of Research be discontinued at a saving of \$260,135 for a total savings of \$767,860.

This savings is partially offset by \$200,000 of revenue accruing to the state General Fund from the issuance of copies of vital events and reimbursement for services to other agencies. The approval of this recommendation would result in a net General Fund savings of \$567,860, and the transfer of revenues to the counties for handling the issuance of copies of records will more than cover their added costs.

The state should withdraw from the vital records registry field in view of the fact that the state maintains a duplicate registry of birth, death, marriage, divorce, annulment and adoption records. All of these records originate in California's 58 counties and can be obtained from these counties as well as from the state.

Division of Administration—Continued

A total of 75 registrars maintain records of births and deaths in the 58 counties including 49 registrars located in counties with recognized health departments and 26 registrars located in other smaller counties of the state. With respect to marriage records, each county clerk issues marriage licenses and each county recorder acts as the registrar of marriages. Copies of all of these records are currently sent to the state. The county clerk in each of these counties also maintains the court reports of divorces and annulments. The fact that these records exist in the county constitutes all the information which is transmitted to the state.

The approval of our recommendation would appear to offer a net savings in local registry operations as local registrars would receive the resulting revenue from the issuance of the estimated 85,528 certified copies of vital events which were issued by the state in 1963-64. It appears that the state nets about \$1.00, in terms of processing costs, on every \$2.00 certificate which is issued. Additional savings will result from the elimination of the costs involved in reproducing records, preparing abstracts, processing and mailing information on all vital events to the state.

The state is clearly a secondary source for those persons who wish to receive certified copies of vital events. While the state bureau issued a total of 85,528 certified copies of vital events in 1963-64, local registrars in Los Angeles County alone issued at least 401,636 certified copies of vital events in calendar year 1963. This is 316,108, or 370 percent, more than the number of copies which were issued by the state bureau. On the basis of a projection of the Los Angeles experience, it can be estimated that a total of one million certified copies of vital events are issued by local registrars in California's 58 counties. It should also be noted that only local registrars can issue certified copies of divorces or annulments because, although Chapter 1722, Statutes of 1961, provided the monthly submission to the state of an abstract of divorces and annulments, this abstract, by law, only lists the names of the participants and the date on which the decree was entered. This abstract therefore does not serve any useful state purpose and the state must refer any applicant for such a record to the county in which the divorce decree or annulment was issued. The larger local registrars in the state handle this tremendous recordkeeping problem by utilizing the latest and most modern record systems technology.

The State of California has had a vital statistics unit since 1905. During the first 55 years of the operation, some 17 million records were filed. However, it is anticipated that in the succeeding 20 years of operation, another 17 million records will be filed. The approval of our recommendation for state withdrawal from the vital records registry field, in view of the existing local activity in this area, will also avoid a situation where the state will figuratively be buried in a sea of records regardless of the advances which are made in the recordkeeping and data processing fields.

In the event that the above recommendation is not accepted, *we recommend a reduction of \$8,688 in salaries and wages for the two*

Division of Administration—Continued

intermediate typist-clerk positions which are proposed for the budget year.

Workload statistics indicate that units of workload on hand at the end of the fiscal year showed a decrease over the last three fiscal years for which actual workload information is available from 2,615 units in 1961-62 to 967 units in 1963-64. Inasmuch as the currently authorized staff has been able to take care of current workload and accomplish this substantial reduction in backlog, it is apparent that this staff is capable of absorbing the projected expansion of the bureau's activity in the budget year.

Division of Community Health Services

Divisional Office

1 *Public health medical officer III* (budget page 545, line 34) ----- \$14,700

This position, which is proposed to be financed from increased federal Maternal and Child Health funds, was established administratively during the current year and is proposed to be continued during the budget year.

This position is proposed to provide an increased level of assistance to local health departments in developing applications for increased federal funds and to provide public health training for a future local health officer.

We recommend a reduction of \$14,700 in salaries and wages for one public health medical officer III.

These increased federal funds should be used to support expanded local maternal and child health programs which provide a direct service rather than for the proposed expansion of Department of Public Health staff. Approval of our recommendation will make an additional \$14,700 available for the support of local maternal and child health programs.

Bureau of Nursing

Temporary help (budget page 545, line 36) ----- \$2,467

Professional temporary help in the amount of \$2,467 is proposed to administer the provisions of the nursing education scholarship program which was authorized by Chapter 1633, Statutes of 1963.

The current budget provided funds for professional temporary help for the budget year only to assist in initiating the nursing education scholarship program which provides ten nursing education scholarships per year to registered nurses who agree to teach or supervise in the clinical nursing area upon completion of the state-financed scholarship program.

We recommend a reduction of \$2,467 in salaries and wages for temporary help.

In our analysis of the 1964-65 budget, we recommend the approval of professional temporary help for the budget year only on the basis that the workload following the initiation of this new activity should be integrated into the regular ongoing program of the bureau without the use of additional staff in the 1965-66 and future fiscal years. No

Division of Community Health Services—Continued

justification has been submitted indicating that this program cannot be administered by the existing 11 professional man-year staff of the Bureau of Nursing.

Division of Dental Health

Division of Dental Health (budget page 545, line 78)----- \$103,580

The department proposes to maintain the Division of Dental Health with its existing authorized staff of 7.1 man-years. This will require an expenditure of \$103,580 during the budget year.

We recommend that the Division of Dental Health be abolished for a savings of \$103,580 during the budget year.

The program of this division is largely promotional and educational in nature and the type of information which is disseminated by this unit is also available from the American Dental Association or other professional dental organizations.

It appears that this division has little effect in the areas of extending or improving dental care in California.

The somewhat limited role of the division was defined in Chapter 710, Statutes of 1949. Section 353 of the Health and Safety Code prohibits the division from compelling dental examinations or services, nor does this article permit the regulation of the practice of anyone licensed or registered under the Dental Practice Act or in the private practice of dentistry.

Ten local health departments maintain dental health programs and a few of the larger school districts have developed some form of dental health program. Decisions as to continued support of these largely direct service type of programs will continue to be made at the local level and the approval of our recommendation will not adversely affect local dental health needs or care.

Division of Environmental Health Services**Bureau of Vector Control**

12 Vector control specialists (budget page 546, line 46)----- \$110,037

This program is carried under the mosquito control subvention through the current year and is proposed to be carried in the support budget under the Bureau of Vector Control in the budget year. It consists of a mosquito control research program and is carried on by bureau staff located in Fresno, Bakersfield and Davis.

Seven of the vector control specialists are assigned to the Fresno Field Station which is the home base of this research activity.

Three vector specialists are assigned to the Cooperative Encephalitis Project at Bakersfield. This long-term cooperative encephalitis ecology research program is directed by the Hooper Foundation of the University of California. Personnel assigned to this project, other than university and Department of Public Health staff, include U. S. Public Health Service, Communicable Disease Center and Kern County Mosquito Abatement District staff.

Two vector control specialists, located on the campus of the University of California at Davis, carry on research in cooperation with the

Division of Environmental Health Services—Continued

Department of Entomology. The Department of Agricultural Engineering at Davis has also developed improved mosquito control equipment under an annual \$3,000 contract with the department.

The total cost of this research program including staff benefits, operating expenses and equipment is \$129,629.

We recommend a transfer of \$129,629 in salaries and wages and related support for 12 vector control specialists to Item 103, the support item of the University of California.

The various campuses of the university have available staff, equipment and facilities to more effectively meet our research needs within the limits of currently available mosquito control research funds.

The university conducts an existing mosquito control research program which can be expanded to meet the needs of the state.

A pattern for such state-university cooperation in research has existed in agriculture since 1930 where the Department of Agriculture administers an ongoing regulatory service and standards control program and the University of California carries on research and extension of agricultural problems in California. This has been a highly successful method of meeting California's agricultural problems and this approach can be applied to the problem of providing answers to the long-term control of mosquitos in California.

Motor Vehicle Emissions Facility

Motor Vehicle Emissions Facility (budget page 547, line 16) ----- \$301,720

The department proposes to maintain the Los Angeles Motor Vehicle Emissions Facility with its existing staff of 43.2 man-years. This will require a total expenditure of \$586,936 less a \$285,216 reimbursement for services provided, under contract, to the Motor Vehicle Pollution Control Board for a net cost of \$301,720.

We recommend a reduction of \$100,573 and the approval of \$201,147 for the Department of Public Health's share of the support of the Motor Vehicle Emissions Facility.

Our recommended reduction of \$100,573 is one-third of the \$301,720 which is proposed as the Department of Public Health's share of the cost of the Motor Vehicle Emissions Facility.

During the past three years, the department has carried on an intensive motor vehicle pollution control research program in the Motor Vehicle Emissions Facility involving the motor vehicle testing, and laboratory activity in connection with standards setting. This research was first carried on under contract by the Los Angeles County Air Pollution Control District in 1962-63; however, the state acquired the facility in 1963-64 and has administered its own research program during the past two years.

On October 23, 1964, the State Board of Public Health approved revised motor vehicle exhaust emissions standards for hydrocarbon and carbon monoxide to be effective January 1, 1970, some five years in the future. Standards were also established for fuel tank emissions of hydrocarbons and carburetor hot soak emissions of hydrocarbons. Ap-

Motor Vehicle Emissions Facility—Continued

proval was given to a policy which provides for the establishment in 1965 of standards for oxides of nitrogen emissions. The basic support for these revised standards and new standards is the research which has been done in the Los Angeles facility over the past three years. Although the facility will continue to carry out research relative to the revision of existing standards and the adoption of new standards, a significant part of these research findings might be applied to standards which will not be effective before 1975 or 1980.

Research is a controllable item and based on the reduced need, as cited above, for continuing the motor vehicle pollution control research program at the existing accelerated level, it appears that the department's research program can be effectively carried on in the budget year within the recommended expenditure level of \$201,147.

The budget of the Motor Vehicle Pollution Control Board contains a recommended reduction of \$95,072, or one-third of the \$285,216 which is proposed as the board's cost of the motor vehicle pollution control device testing aspect of the facility. The approval of the two recommended reductions will still allow for a total of \$391,291 to support the Motor Vehicle Emissions Facility during the budget year.

Division of Laboratories**Sanitation and Radiation Laboratory**

1 Assistant public health chemist (budget page 547, line 58) ----- \$7,800

1 Laboratory assistant I (budget page 547, line 60) ----- 4,044

These positions are proposed to handle an increase in the sanitation workload as well as the increased complexity of the analyses which are performed in the laboratory.

We recommend a reduction of \$11,844 in salaries and wages for one assistant public health chemist and one laboratory assistant I.

Although there has been an increase in sanitation laboratory workload and an increase in the complexity of sanitation laboratory analysis, the sanitation activity is only one part of the two-part mission of the laboratory which also involves a substantial activity in the radiation area. In the light of the recent approval of the test-ban treaty and the resulting cessation of testing, the laboratory staff should be reassigned from the radiation area to the sanitation area to meet sanitation workload.

Equipment

Equipment (budget page 547, line 79) ----- \$14,290

The equipment item for the Division of Laboratories includes a proposal for \$14,290 to purchase two glassware washers to replace the department's existing glassware washer.

We recommend a reduction of \$14,290 for two Better Built Turbo-matic washers.

The department contends that the existing glassware washer is so worn that it cannot be kept in alignment. The department also contends that an inordinate amount of maintenance is required to keep it in

Division of Laboratories—Continued

operation. However, during the past two years, breakdown and maintenance time has amounted to only 25 days per year or an average of two days per month.

We have asked for, but have yet to receive, information relative to savings in manpower which might be achieved by replacement of the existing glassware washer with the proposed glassware washer. A reduction in manpower could assist in amortizing the substantial cost of these two washers.

The department has, as yet, failed to demonstrate that it is uneconomical to continue to utilize the existing glassware washer.

Division of Preventive Medical Services

Bureau of Chronic Disease Control

1 Public health medical officer III (budget page 549, line 4)	\$16,880
1 Food and drug inspector IV (budget page 549, line 4) ----	10,440
1 Food and drug inspector II (budget page 549, line 4) ----	7,428
1 Senior stenographer (budget page 549, line 4) -----	5,832
1 Intermediate stenographer (budget page 549, line 4) ----	5,280

The above five positions, at a cost of \$45,860 in salaries and wages, have been engaged in carrying out California's cancer law (Health and Safety Code, Division 2, Chapter 7, Section 1700-1721). This legislation was adopted to challenge cancer quackery by stipulating that diagnostic and therapeutic means for cancer treatment be scientifically sound.

We recommend a reduction of \$22,930 in salaries for these five cancer law positions and the limitation of these positions to December 31, 1965.

The approval of this recommendation will provide funds which are adequate to support these positions for the first six months of the budget year only, or through December 31, 1965. These positions should be limited in accordance with the provisions of the cancer law which expires as of December 31, 1965.

Bureau of Communicable Diseases

0.66 Public health veterinarian (budget page 549, line 4) ----	\$8,064
0.5 Intermediate typist-clerk (budget page 549, line 4) -----	2,574

These positions administer the state's psittacosis control program which was first instituted in the early 1930's. The authority for the department's present program, which includes the parakeet and budgerigars banding law, was added by Chapter 1074, Statutes of 1955.

We recommend a reduction of \$10,638 in salaries and wages of 0.66 public health veterinarian and 0.5 intermediate typist-clerk.

Although this program was first instituted as a public health measure to prevent the human illness known as psittacosis (parrot fever) or ornithosis, the public aspect of this program has outlived its usefulness as a separate General Fund supported departmental program. Approximately 50 percent of the General Fund cost of this program is offset by the banding fee of \$.015 per band. This revenue can only be used to offset the cost of administering the banding program. The banding

Division of Preventive Medical Services—Continued

program is based on the premise that the most common source of human infection has been the various species of pet psittacine birds which are sold in retail outlets; however, the department has had considerable difficulty in identifying human cases of psittacosis which can be definitely associated with psittacine birds. In 1962, only 10 cases of psittacosis were identified on a statewide basis and only one of these cases was definitely associated with pet psittacine birds which come under the banding program. We believe that the bureau should be able to maintain an adequate surveillance of this program without the maintenance of the above staff which are recommended for reduction. If the parakeet banding program is continued, we suggest that it be fully supported by the banding fee.

1 Public health veterinarian (budget page 549, line 4)-----	\$10,704
1.25 clerical (budget page 549, line 4)-----	7,440

These positions are used to administer the state's rabies control program. Statutory provisions relating to the control of rabies were first enacted in 1913 with the adoption of Section 1900-01, 1902-1919 of the Health and Safety Code which provided for the quarantine of areas affected by rabies.

We recommend a reduction of \$18,144 in salaries and wages for one public health veterinarian and 1.25 of clerical support.

This program costs the General Fund a total of \$21,536 per year. Quarantine, declaration of counties as a rabies area, and other provisions of the Health and Safety Code can best be administered by locally established health officers with the state activity restricted to acute or emergency epidemic situations which cannot be handled locally such as the outbreak of dog rabies which has occurred along the California-Mexico border. The bureau should be able to maintain a minimum program without the support of the above staff which are recommended for reduction.

The state should also continue to provide laboratory services relative to the identification of rabid animals for those areas which do not have laboratory facilities which are adequate to make such identification.

Bureau of Crippled Children Services

1 Public health medical officer III (budget page 549, line 39)-----	\$16,212
1 Social work consultant I (budget page 549, line 40)-----	8,196
1 Intermediate typist-clerk (budget page 549, line 41)-----	4,560

These positions are proposed to be financed from increased federal Maternal and Child Health funds and were established administratively during the current year.

We recommend a reduction of \$28,968 in salaries and wages for one public health medical officer III, one social work consultant I and one intermediate typist-clerk.

These positions are proposed to provide medical and social work consultation and supervision in crippled children services programs relating to mental retardation.

Division of Preventive Medical Services—Continued

Public health positions relating to mental retardation should not be approved until the Legislature has had an opportunity to review and act on the recommendations of the Assembly Subcommittee on Mental Health and the Governor's Study Commission on Mental Retardation. Any action at this time relating to the expansion of public health services for the mentally retarded with federal funds would be premature in that it would tend to fragment this program prior to legislative action, if any, on the proposed mental retardation program.

0.5 Temporary help (budget page 549, line 42)----- \$5,000

This position is to be financed from increased federal Crippled Children Services funds, and was established administratively during the current year.

We recommend approval of \$5,000 for temporary help for the budget year only.

This position will provide funds to purchase medical program consultative services from various physician specialists to the crippled children services program.

The department maintains that the crippled children services program is becoming more complex and that this growing complexity has forced the department to consult on program problems with individual physician experts. The department has not been able to pay for the cost of such consultation. Due to the lack of definitive information as to a continued need for this temporary help, we are recommending approval for the budget year only during which time the department can assess the value of this added consultative service to the crippled children's program and report this assessment to the Legislature, if the position is proposed beyond the budget year.

Bureau of Maternal and Child Health

1 Public health medical officer III (budget page 549, line 45)----- \$19,704

1 Intermediate stenographer (budget page 549, line 47)----- 4,674

These positions, to be financed from increased federal Maternal and Child Health funds, were established administratively during the current year.

We recommend a reduction of \$24,378 in salaries and wages for one public health medical officer III and one intermediate stenographer.

These positions are proposed to carry on a continuing study on inherited birth defects with special emphasis on those defects which lead to mental retardation.

The approval of any public health positions relating to mental retardation should be withheld until the Legislature has had an opportunity to review and act on the recommendations relative to mental retardation which are before the Legislature. As we have previously stated, any action to expand public health services to the mentally retarded would be premature and would fragment this program prior

Division of Preventive Medical Services—Continued

to the legislative action, if any, on the proposed mental retardation program.

1 Associate social research analyst (budget page 549, line 46) ----- \$11,520

0.1 Temporary help (budget page 549, line 48) ----- 1,000

These positions to be supported from increased federal Maternal and Child Health funds, are the remaining staff of the former Child Health Research Unit which was previously carried under Special Project Activities and are proposed to provide child health epidemiology and evaluation services.

We recommend a reduction of \$12,520 in salaries and wages for one associate social work consultant and 0.1 in temporary help.

Increased federal funds should be used to support expanded local maternal and child health programs which provide a direct service rather than for the proposed expansion of Department of Public Health staff. Approval of our recommendation will make an additional \$12,520 available for the support of local maternal and child health programs.

1 Temporary help (budget page 549, line 48) ----- \$8,311

This position to be financed from increased federal Maternal and Child Health funds, was established administratively during the current year.

We recommend approval of \$8,311 for temporary help for the budget year only.

This position will provide data for a joint study being conducted by the department and the California Medical Association on perinatal deaths due to hemolytic disease of the new born.

The study period for this condition is three years and the proposed position will provide temporary help for the third and final year of this study.

1 Rural health medical consultant (budget page 549, line 4) \$18,768

The rural medical health consultant has been working with the Governor's Office in determining the state's role in the recently adopted federal Economic Development Act during the current year.

We recommend a reduction of \$18,768 in salaries and wages for one rural health medical consultant.

This position should not continue to be financed by the department's budget since the incumbent is assigned to carrying out an activity which has no relationship to the duties of either a rural health medical consultant or the department. This position is in excess of the needs of the department since they are currently operating the Farm Workers Health Service Program without the services of this position.

Bureau of Hospitals

1 Associate construction analyst (budget page 549, line 52) -- \$9,948

1 Architectural assistant (budget page 549, line 53) ----- 8,196

1 Hospital field representative (budget page 549, line 54) --- 7,428

Division of Preventive Medical Services—Continued

These three positions are proposed on the basis of increased workload related to the licensing and inspection of an increased number of hospitals and nursing homes and the growth in the hospital construction program, and on the basis of increased workload in connection with the ongoing hospital licensing and inspection activity and the construction supervision activity of the bureau.

We recommend a reduction of \$25,572 in salaries and wages for one construction analyst, one architectural assistant and one field representative.

The bureau staff was increased by seven during the current year. This included three positions allowed on the basis of increased workload and the four positions allowed to plan and administer the mental retardation facility and community mental health center construction program. The mental retardation facility and community mental health center program, to date, has not been fully implemented and these four positions can be used to meet some of the workload needs of the bureau.

The staff of the Bureau of Hospitals has grown rapidly during the past five fiscal years, increasing from 32.9 actual positions in 1960-61 to a proposed staff of 66. This would be a 100 percent increase in staff. Only ten of the positions which have been added over the past five fiscal years can be attributed to new activities such as regional hospital planning and mental retardation facility and community mental health center construction, while the remaining positions have involved increased staff to carry on the ongoing activity of the bureau.

There is a question whether the bureau is making the most efficient use of its rapidly expanding staff and there should be a moratorium on any new positions for the budget year to enable the department to carry out a careful study of the bureau reviewing those existing procedures which might be discontinued and new procedures which might be implemented to increase the efficiency of the bureau. This study should result in a reduction in bureau staff or, at the minimum, enable the current workload to be carried on within the limits of the existing staff.

REGIONAL HOSPITAL PLANNING PROGRAM

Division of Administration

Bureau of Administrative Services

1 Intermediate stenographer (budget page 543, line 38)----- \$5,418

Division of Preventive Medical Services

Bureau of Hospitals

1 Regional chief (budget page 549, line 4)----- \$13,992

2 Consultant in hospital planning (budget page 549, line 4) 22,798

1 Intermediate stenographer (budget page 549, line 4)----- 5,418

1 Intermediate typist-clerk (budget page 549, line 4)----- 5,037

The budget purposes to continue the above six positions in the total amount of \$52,663 in salaries and wages. These positions have been involved in the development of regional hospital plans in the San

Regional Hospital Planning Program—Continued

Francisco and Los Angeles metropolitan areas and the South San Joaquin Valley area in accordance with Chapter 2032, Statutes of 1963, commonly referred to as the Regional Hospital Planning Act.

This 1963 legislation has continued, through 1965, the regional hospital planning program which was implemented in the San Francisco and Los Angeles areas in 1961 under Chapter 1754, Statutes of 1961, which expired in 1963, and additionally authorized the formation of regional hospital planning committees for San Diego and the South San Joaquin Valley. However, only the South San Joaquin Valley regional hospital planning committee was subsequently formed. The legislation requires each of the regional committees to report to the current session of the Legislature.

We recommend a reduction of \$39,499 in salaries and wages for six regional hospital planning positions and the limitation of these positions to September 30, 1965.

The approval of this recommendation will provide funds to support these positions for the first three months of the budget year only or through September 30, 1965.

These positions should be limited in accordance with the provisions of the Regional Hospital Planning Act which expires 91 days after the close of the 1965 Regular Session or about September 30, 1965.

Prevention of Blindness Unit

1 Supervisor (budget page 549, line 4)-----	\$13,992
1 Associate statistician (budget page 549, line 4)-----	9,948
1 Health education consultant (budget page 549, line 4)-----	9,948
1 Senior stenographer (budget page 549, line 4)-----	6,120
1 Intermediate typist-clerk (budget page 549, line 4)-----	5,148

The department proposes to maintain the Prevention of Blindness Unit with its existing staff of five man-years which was first authorized for General Fund support by Chapter 1586, Statutes of 1959.

This unit was first established in 1954 under a Kellogg Foundation grant which terminated in 1959 and has been supported by the General Fund for the past six fiscal years.

We recommend that the Prevention of Blindness Unit be abolished for a savings of \$45,156 during the budget year.

This unit provides assistance and consultation to local agencies on the application of methods for reducing blindness from preventable causes and appears to be only one more unit in California's broad effort to deal with the needs of the blind.

We have been unable to discern any appreciable impact on the problem of blindness in California in the past 12 years which can be attributed to this unit.

The responsibility for establishing programs for dealing with vision conservation such as glaucoma testing has been recognized as a public health responsibility by many local health departments and the continued support of these programs is a local decision which is not de-

Regional Hospital Planning Program—Continued

pendent on the continued maintenance of a prevention of blindness unit in the department.

The diverse nature of state agency activity relating to the blind can even be found within the Department of Public Health which in addition to the prevention of blindness program supports blind activity as part of the crippled children, communicable disease and occupational health in industry programs.

The Department of Social Welfare also maintains a prevention of blindness program offering surgical services for the restoration of sight and administers two categorical aid programs involving Aid to the Blind and Aid to the Potentially Self-Supporting Blind.

The Department of Rehabilitation maintains six activities which relate to the blind including prevocational and adjustment activity involving an orientation center residence type facility providing intensive orientation and prevocational training and a program of field services for the adult blind which involves teacher-counselors who provide instruction and counseling to blind individuals within their homes. Vocational type programs offered by the department include vocational training and placement, a business enterprise program for the blind which assists blind in operating snack bars, cafeterias, etc., and work training in the three opportunity work centers for the blind and three industries for the blind.

The Department of Education also supports and maintains a residence and day school for blind youngsters, consults with school districts on programs for visually handicapped minors, and the California State Library makes Braille magazines and books and related material available to the blind.

OCCUPATIONAL HEALTH PROGRAM**Division of Preventive Medical Services**

Bureau of Occupational Health (budget page 550, line 4) — \$364,400

Division of Laboratories

Air and Industrial Hygiene Laboratory (budget page 547, line 57) ————— \$114,925

The department proposes to maintain an occupational health program with a total expenditure of \$479,325 per year. This includes the support of the existing 31 man staff, plus one proposed temporary help position in the Bureau of Occupational Health, at a budget year cost of \$364,400. This also includes the support of the 9.5 man staff of the occupational health segments of the Air and Industrial Hygiene Laboratory at a total cost of \$114,925 during the budget year.

We recommend that the Bureau of Occupational Health be abolished for a saving of \$364,400 and that the occupational health segment of the Air and Industrial Hygiene Laboratory be discontinued at a saving of \$114,925 for a total savings of \$479,325.

The State Department of Public Health should withdraw from the occupational health field in view of existing activity of the Environmental Engineering Unit, Department of Industrial Relations, which

Occupational Health Program—Continued

provides services directed toward the occupational health of employees; the large scale occupational health activity of the local health departments; and the lack of definitive results justifying the continuing departmental expenditures of approximately \$500,000 annually on an occupational health program.

An environmental engineering unit was first established in the Department of Industrial Relations in 1950. There are eight employees in this unit including six professional employees. This professional staff includes two senior health physicists.

The Division of Industrial Safety, in which the unit is located, promulgates its own occupational safety orders and has a need for industrial hygiene specialists. The work of the unit is integrated with the balance of the units in the division which are carrying out a line activity relating to the division's safety jurisdiction, the responsibility for the administration of its safety orders and the provisions of the California Labor Code. The entire activity of this division has a degree of relationship to the occupational health area. The Department of Public Health only advises and consults and has no regulatory or enforcement role in the occupational health area. The Department of Public Health, in carrying on its advisory and consultative role, has performed 128 studies at the request of the Department of Industrial Relations over the past five years, an average of 26 studies per year. The department has also carried out 34 studies, an average of seven studies per year, for all other state agencies over this same five-year period. We believe that this relatively limited number of 33 studies per year could be adequately performed by either the Environmental Engineering Unit or local health departments which have a capability in the occupational health field. The Department of Industrial Relations advises that in southern California, some 60 to 70 percent of its studies are currently carried out by the occupational health units located in local health departments.

Some 15,665,825, or 86 percent, of California's July 1964 population of 18,234,000 reside within jurisdictions which are served by local health departments which are currently, or have in the past, carried out some occupational health activity.

This includes six local health departments, serving some 9,848,925 residents, which maintain a separate occupational health unit or bureau; an additional nine departments serving 2,929,400 residents which carry on an occupational health program with trained staff and another 16 departments serving 2,887,500 residents which are currently carrying out or plan to carry out some occupational health activity.

The remaining 2,568,175, or 14 percent, of California's population live in 31 generally smaller jurisdictions which have failed to implement any occupational health activity or are served under the Department of Public Health's contract county public health program.

The foregoing indicates that there is a substantial occupational health activity spread throughout the well-populated areas of California which substantially reduces the justification for the maintenance

Occupational Health Program—Continued

of an occupational health program within the Department of Public Health.

The Department of Public Health also has an occupational health relationship with the problem of agricultural pesticides. However, this activity should be restricted in view of the pesticide activity of the state's Departments of Agriculture and Fish and Game as well as the pesticide research activity of the University of California. The United States Department of Agriculture is also carrying on an extensive pesticide research education and regulatory activity which is funded by an appropriation of more than \$50 million per year.

The Department of Public Health has consulted with the Department of Water Resources relative to construction health and safety aspects of California's water program. However, this activity should also be restricted in view of the statutory responsibilities of the Department of Industrial Relations in this area.

California's occupational health needs can be met by existing state staff in the Departments of Industrial Relations, Agriculture, Fish and Game and Water Resources as well as California's local health departments.

Division of Research

0.3 Temporary help (budget page 550, line 38)----- \$1,870

This position, which is proposed to be financed from federal special project overhead, has been established administratively during the current year and is proposed to be continued in the budget year, to assist in peak workload associated with special projects.

We recommend a reduction of \$1,870 in salaries and wages for 0.3 temporary help.

There is inadequate justification for this proposed position based on the limitation on special project expenditures which the Legislature imposed during the current year and the moderately increased special project activity which is proposed for the budget year.

General Fund Replacement of Federal Funds

General Fund (budget page 551, line 24)----- \$12,214,938

The budget proposes state General Fund support in the amount of \$506,050 to offset a net anticipated decrease of \$506,050 in federal General Health funds. These federal funds are currently being used in the department's support budget.

We recommend a reduction of \$506,050 in General Fund support to replace federal General Health fund support of the department.

The department's proposal in response to an anticipated reduction of \$506,050 in federal General Health fund support is for an increase in state General Fund support of a like amount.

The Department of Public Health has used these federal funds to support its general operations for many years; however, it appears that, due to a change in federal policy, no General Health funds will be available to support the department. We believe that the department can accept this apparent decision of the federal government to reflect

Occupational Health Program—Continued

reduced public health needs and administratively review its operations so that a General Fund reduction of \$506,050 can be effected in the support budget of the department.

Economic Conversion Project

General Fund (budget page 551, line 24)----- \$12,214,938

We understand that the state has recently let a contract in the amount of approximately \$100,000 to a major aerospace firm for a waste management study under the Economic Conversion Project. This study is to be financed from savings in the current public health budget. It appears that the financing includes approximately \$30,000 in federal General Research funds; \$20,000 in state General Fund savings in the alcoholic rehabilitation program; and \$50,000 in General Fund savings obtained by substituting \$50,000 of federal crippled childrens funds for \$50,000 of state General Fund supported crippled childrens expenditures.

We recommend a reduction of \$70,000 in General Fund support and \$30,000 in federal General Research funds in the budget year in view of the savings of \$70,000 of General Fund and the \$30,000 in federal fund support which the department was able to achieve to finance the waste management study in the current year.

The department has demonstrated that this \$70,000 in General Fund moneys and \$30,000 in federal General Health Research funds is in excess of their needs, by diverting it in the current year to this special study.

Special Project Activities

The budget proposes 34 special projects which are reimbursed from nonstate sources for a total expenditure of \$5,417,355 during the budget year. This includes an expenditure of \$3,112,495 for four projects which are administered by the department and are carried out by local agencies. The vast bulk of this local agency expenditure, \$2,507,931, is involved in one intensive vaccination special project. The remaining special project expenditure of \$2,304,860 supports 30 special projects which are carried out by staff of the department.

This list of special projects has certain limitations as it apparently includes only those projects which are presently funded and does not include existing projects or possible new projects which are awaiting funding from the granting agencies.

The 1964 Budget Act establishing a ceiling on expenditures for special projects carried out by departmental staff. However, it may be possible to adequately control these expenditures in the budget and future years by a careful review of existing special projects staffed by employees of the department.

The following discussion involves four special projects which are being recommended for discontinuance during the budget year.

Occupational Health Program—Continued

Division of Dental Health

Dental hypoplasias (budget page 558, line 33)----- \$29,750

This project provides for a study in which the optimum level of fluoridation concentration in water supplies is being sought for different temperature zones.

We recommend that the Legislature direct the department to discontinue the dental hypoplasias special project for a reduction of \$29,750.

This project appears to have ranged well beyond the boundaries of California to Arizona, New Mexico, Colorado and Texas. This project has been underway since 1961 and it should be possible to conclude this project during the current year. It is difficult to relate this project to the basic mission of the department which relates to the provision of a healthful environment for the people of California. This wide ranging project would seem to be more appropriately located in a university or other research oriented agency.

Our recommendation for the abolition of the Division of Dental Health provides additional support for this reduction.

Division of Alcoholic Rehabilitation

*Longitudinal Study of Changes in Drinking Practices
(budget page 557, line 73)*----- \$135,000

This project studies the changes in drinking patterns of respondents to a prior study in this general area.

We recommend that the Legislature direct the department to discontinue the longitudinal study of changes in drinking practices special project for a reduction of \$135,000.

This project has been carried on since 1962 in an attempt to determine the origins of alcoholism. Two field interviews have been carried out and preliminary analytic results should be available in the near future. This should allow for the completion of this project during the current year. It is difficult to establish a relationship between this project and the primary mission of the Division of Alcoholic Rehabilitation which is the direction of the state's alcoholic rehabilitation program. This special project has no perceptible impact on the state's alcoholic rehabilitation program.

Division of Environmental Sanitation

*Organo-phosphorous resistant mosquitoes (budget page 558,
line 27)*----- \$3,000

Biologic control of mosquitoes (budget page 558, line 29)--- 14,000

The organo-phosphorous resistant mosquito project involves a study of mosquitoes resistant to organo-phosphorous insecticides which are currently being used for the control of mosquitoes.

The biologic control of mosquitoes project involves a study of the method of approach to be followed in conducting a germ warfare or biologic approach to the control of mosquitoes.

We recommend that the Legislature direct the department to discontinue the organo-phosphorous resistant mosquitoes special project for a reduction of \$3,000 and the biologic control of mosquito project for a reduction of \$14,000.

Occupational Health Program—Continued

These special projects can be described as falling within the basic research area and are closely related to the insecticide resistant and biologic control of mosquitoes research which is currently being carried on at the various campuses of the University of California as part of the university's control research program. This basic type of research, if needed, should be conducted at the university which has available staff, equipment and facilities to more effectively carry out such research activity.

Our recommendation for the transfer of the Bureau of Vector Control's mosquito control research program to the university provides additional support for this reduction.

Special Project Overhead

We recommend that the Department of Public Health submit a report to the 1966 Session of the Legislature on a project by project basis relative to the extent to which special project overhead costs are reimbursed by overhead charges.

The department advises that most of the special projects include an overhead charge which ranges up to 20 percent of the cost of the project. No information is currently provided which assures that this overhead charge fully reimburses the state in the amount of the actual General Fund costs which are incurred as a result of these special projects.

POLICY OPTIONS**Alcoholic Rehabilitation Program**

A policy option involves the continuation of an alcoholic rehabilitation program which is an existing responsibility of the department and is proposed to spend \$1,138,231 during the budget year.

Since 1957 this program has been the responsibility of the Division of Alcoholic Rehabilitation, Department of Public Health which has a 28-man staff.

An alcoholic rehabilitation program was first established in 1954 in an effort to provide some of the answers associated with California's alcoholism problem. An estimated 886,000 alcoholics currently reside in California.

Among the responsibilities under the program, was the development of an overall state approach to the problems occasioned by alcoholism. There is a particular need for this approach due to an estimated annual expenditure of \$42,797,790 in 13 state agencies for the treatment and care of alcoholics and problem and excessive drinkers; custody and parole of alcoholics and problem or excessive drinkers; welfare support to those affected by alcoholism and problem or excessive drinking; enforcement of the Vehicle Code as it involves drinking drivers; regulation of alcoholic beverage taxes and alcoholism education.

The major element of this program is the treatment of alcoholism, under contract, at eight fully state-supported community alcoholism clinics located in the various population centers of the state. These alcoholism clinics have treated a total of 17,357 alcoholic patients over

Occupational Health Program—Continued

the eight years in which they have been in operation, 1956-57 through 1963-64. Figures are available on patients treated, but not post treatment results, with the exception of one inadequate study of a sample of such patients in 1961. It is therefore not possible to evaluate the effectiveness of this treatment and there is no firm information from which to determine what number, if any, of these patients were actually rehabilitated. The budget proposes to treat an estimated 6,000 to 6,500 alcoholics in these community alcoholism clinics during the budget year. This is less than 1 percent of the 886,000 alcoholics in California and illustrates the fact that the present clinic program cannot hope to significantly affect the total number of alcoholics or even bring about a semblance of control of the alcoholism problem.

The results achieved by this program do not appear to have justified the expenditure of \$6,459,661 over the past 10 fiscal years, 1954-55 through 1963-64.

Although alcoholism appears to be a condition which can be altered for the better, there is a question as to the wisdom of continuing the existing program.

Among the alternatives, which might produce more acceptable results in return for the state's currently rather large investment in the problem, consideration should be given to transferring the responsibility to the Department of Mental Hygiene or Department of Rehabilitation or to a newly created agency. Wherever the responsibility is placed, it should be for administering an alcoholic rehabilitation and prevention program and developing an overall state approach to the problems occasioned by alcoholism.

The decision as to assignment of this responsibility should only be made after the Legislature has established specific policies and set forth specific goals which can, in turn, be implemented by positive administration and direction by the state agency which is assigned this alcoholic rehabilitation responsibility.

Cancer Field Research Special Project

A policy option involves the continuation in the department of the cancer field research special project in the proposed amount of \$756,559. This project involves a nucleus of scientists for the conduct of research in cancer etiology involving field efforts, human cancer epidemiology, epizootology (animal cancer) and laboratory investigation.

The policy issues involved are whether the General Fund should continue to partially support this project; impact on departmental operations; appropriateness of location of this basic research project in a state department of public health and the future utilization of the cancer research facility now under construction in Berkeley.

The 1963 Session of the Legislature authorized the expenditure of \$273,400 in General Fund moneys only after a critical discussion of the issue of General Fund support of a portion of the cost of construction of the cancer facility which was originally proposed to be fully financed by federal funds.

Occupational Health Program—Continued

During the budget year, an additional \$80,250 of General Fund cost can be attributed as the cancer facility's share of the proposed replacement of the existing boiler system in the public health complex in Berkeley. The approval of this proposal will bring the state General Fund cost of this facility to \$353,650. It appears that this project may continue to require General Fund support through the 1970 termination date of the cancer field research project.

The sheer size of this project may have an adverse impact on departmental operations and could distract the department from its basic mission which is to work in cooperation with local health departments in the provision of a healthful environment for the people of California. This project may require an excess application of the staff and facilities of the department to the detriment of the department's basic mission. The appropriateness of cancer research as a function of the State Department of Public Health is also at issue. The mission of the department, as previously discussed, does not seem to allow for this type of research which is of nationwide rather than statewide concern.

It appears that this project should continue to be carried out through its 1970 termination date in the cancer research facility, which is largely financed by federal funds, and is nearing completion in Berkeley. However, this project could be transferred to and administered by a research-oriented agency such as the University of California which is physically adjacent to the cancer facility in Berkeley, or by any other contractor selected by the National Cancer Institute. This would free the department to carry out its basic public health responsibility.

State Department of Public Health

MEDICAL CARE STUDIES UNIT

ITEM 162 of the Budget Bill

Budget page 551

FOR SUPPORT OF THE MEDICAL CARE STUDIES UNIT
FROM THE GENERAL FUND

Amount requested	\$50,000
Estimated to be expended in 1964-65 fiscal year	50,000

Increase	None
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TOTAL RECOMMENDED REDUCTION	\$50,000
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Summary of Recommended Reductions

From amount requested to maintain existing level of service:	Total amount	General fund	Federal	Budget page line
Delete Medical Care Studies Unit	\$150,000	\$50,000	\$100,000	551 46

PROGRAM PLANS AND BUDGET

The program plan and budget for medical care studies for 1965-66 is provided under the program plan and budget discussion for chronic disease control, maternal and child health and health facilities development which is included as part of Item 161, Department of Public Health.

Medical Care Studies Unit—Continued

REVIEW OF PROGRAM ACCOMPLISHMENTS

The review of program activities for medical care studies for 1963-64 is provided under the review of program activities discussion relative to chronic disease control and health facilities development which is included as part of Item 161, Department of Public Health.

ANALYSIS AND RECOMMENDATIONS

The department proposes to continue this unit which was authorized at the 1963 Session of the Legislature to study publicly supported medical care programs in California for the purpose of improving their quality and distribution. One-third of the total cost of this unit is financed from the state General Fund and the remaining two-thirds from federal funds.

We recommend that the Medical Care Studies Unit be abolished for a General Fund savings of \$50,000 and a federal fund savings of \$100,000 during the budget year.

This unit has made a number of studies relating to the scope, alternatives and deficiencies in those medical care programs which involve state or local governments either through direct provision of services by governmental agencies, public assistance, subsidies or insurance mechanisms.

The accomplishments of this unit over the past two years involve a series of studies and papers relating to those medical care programs which fall into one of the above categories. These studies could be carried on indefinitely in spite of the apparent lack of a mechanism by which the study results are applied to the medical care programs which are the subject of these studies.

The approval of our recommendation will not only provide for a General Fund savings of \$50,000 but will also make an additional \$100,000 in federal funds available including \$50,000 in Maternal and Child Health funds and \$50,000 in Chronic Illness and Aging funds, for the expansion of direct service maternal and child health and chronic illness and aging programs at the local level. These federal funds will be better expended on these direct services rather than on continued studies of publicly supported medical care programs.

State Department of Public Health

TUBERCULOSIS LABORATORY RESEARCH AND TESTING

ITEM 163 of the Budget Bill

Budget page 551

FOR SUPPORT OF THE TUBERCULOSIS LABORATORY
RESEARCH AND TESTING FROM THE GENERAL FUND

Amount requested	\$31,553
Estimated to be expended in 1964-65 fiscal year	55,000

Decrease (42.6 percent)	\$23,447
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TOTAL RECOMMENDED REDUCTION	\$31,553
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Summary of Recommended Reductions

	Amount	Page	Line
From amount requested to maintain existing level of service:			
Delete Tuberculosis Laboratory Research and Testing	\$31,553	551	83

Tuberculosis Laboratory Research and Testing—Continued**PROGRAM PLANS AND BUDGET**

The program plan and budget for tuberculosis laboratory research and testing for 1965-66 is provided under the program plan and budget discussion for communicable disease control which is included as part of Item 161, Department of Public Health.

REVIEW OF PROGRAM ACCOMPLISHMENTS

The review of program activities for tuberculosis laboratory research and testing for 1963-64 is provided under the review of program activities discussion relative to communicable disease control which is included as part of Item 161, Department of Public Health.

ANALYSIS AND RECOMMENDATIONS

The department proposes to continue this service for the control of tuberculosis during the budget year.

We recommend that the Tuberculosis Laboratory Research and Testing service be abolished for a saving of \$31,553 during the budget year.

Chapter 1918, Statutes of 1961 specifically authorized a two-year program of supplemental laboratory services for the control of tuberculosis for the 1961-62 and 1962-63 fiscal years. This also included drug sensitivity testing, identification of unclassified organisms and training for laboratory technicians. This activity was maintained during the 1963-64 and current fiscal years and is proposed to be maintained for the fifth year, at the same level, with the exception of the discontinuance of the drug susceptibility testing aspect of the program. The recommended approach to such testing is now part of the accepted procedures of most of the licensed laboratories in the state.

This activity has been carried on as a separately funded program for a period of four years. We have no justification for continuing this as a separately funded and identified activity and believe that the residual part of this activity should be incorporated into the existing laboratory tuberculosis research program which is carried on by the Microbiology Laboratory. The approval of this recommendation will result in a General Fund savings of \$31,553 and the discontinuance of this separately identified activity.

State Department of Public Health**MOTOR VEHICLE POLLUTION CONTROL BOARD**

ITEM 164 of the Budget Bill

Budget page 552

**FOR SUPPORT OF THE MOTOR VEHICLE POLLUTION
CONTROL BOARD FROM THE GENERAL FUND**

Amount requested -----	\$575,691
Estimated to be expended in 1964-65 fiscal year -----	533,871
Increase (7.8 percent) -----	\$41,820
TOTAL RECOMMENDED REDUCTION -----	\$121,295

Motor Vehicle Pollution Control Board—Continued

Summary of Recommended Reductions		Budget	
	Amount	Page	Line
From amount requested to maintain existing level of service:			
1. 1 Associate motor vehicle pollution control engineer	\$10,440	552	54
1 Junior mechanical engineer -----	7,800	552	56
2. 1 Intermediate stenographer -----	4,908	552	57
3. 0.75 temporary help -----	3,075	552	58
4. Contractual service—from Motor Vehicle Emissions Facility -----	95,072	553	7

PROGRAM PLANS AND BUDGET

The motor vehicle pollution control program consists of the determination of and publication of criteria for approval of motor vehicle pollution control devices; issuance of certificates of approval for acceptable devices and exemption of certain classes of vehicles from device requirements. The 1965-66 budget proposes \$575,691 to support this program. This involves:

a. Completion during December 1965 of the installation of crankcase control devices on used cars manufactured since 1950 in the 13 participating counties. Upon completion of this program an estimated 7,500,000 crankcase control devices will be installed on used cars in California.

b. Surveillance of exhaust control devices which are to be installed on all 1966 model cars registered in California. These devices will be installed on an estimated 800,000 1966 model cars.

c. Continuing evaluation of compliance with existing state standards and testing of improved control systems designed to meet the stricter standards established by the State Department of Public Health.

REVIEW OF PROGRAM ACCOMPLISHMENTS

The 1963-64 budget provided \$500,000 for this program. The actual cost of this program was \$525,645. This involved:

a. Approval of 22 crankcase control systems for factory installation on new vehicles and six systems for installation on used vehicles.

b. Approval of four exhaust control systems for factory installation on new vehicles and one system for installation on used vehicles.

c. Substantial activity in developing the procedures governing the operation of 8,100 motor vehicle pollution control device installation and inspection stations.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an appropriation of \$571,691 from the General Fund for the support of the Motor Vehicle Pollution Control Board in the 1965-66 fiscal year. The proposed appropriation is \$41,820, or 7.8 percent, over that which is estimated to be expended during the current year.

1 Associate motor vehicle pollution control engineer (budget page 552, line 54) ----- \$10,440

1 Junior mechanical engineer (budget page 552, line 56) --- 7,800

These positions are proposed for continued evaluation of the approved crankcase devices and the exhaust control devices to be installed on the 1966 model cars.

Motor Vehicle Pollution Control Board—Continued

We recommend a reduction of \$18,240 in salaries and wages for one associate motor vehicle pollution control engineer and one junior mechanical engineer.

These two positions were approved for the current year only pending a review of workload demands resulting from the mandatory aspects of the crankcase control program. These positions are proposed for the budget year, however, to continue the evaluation of crankcase devices which are already being installed during calendar year 1965 on a specified timetable basis. We therefore see little value in approving two positions to evaluate crankcase devices which should be 50 percent installed on used cars, under the board's timetable, as of the beginning of the 1965-66 or budget year.

These positions are also being justified on the basis of the exhaust control devices which will be built into 1966 model cars. The board currently has six authorized engineering positions which will be available to handle this activity during the budget year.

As a result of the completion of the installation of crankcase control devices on used cars as of December 1965 or midway through the budget year and the failure of the board to approve a second exhaust control device during 1964 the provisions for the mandatory installation of exhaust control devices cannot be implemented before 1967, at the earliest, or well after the budget year. The completion of the crankcase control program and the delay in implementation of the used car exhaust control program will enable the existing staff to carry out any necessary activity concerned with the installation of exhaust control devices on 1966 model cars.

1 Intermediate stenographer (budget page 552, line 57)----- \$4,908

This position is proposed to provide stenographic and other clerical services to staff of the board.

We recommend a reduction of \$4,908 in salaries and wages for one intermediate stenographer.

This position was approved for the current year only pending a review of the workload demands of the board. The decision to terminate an administrative assistant I position at the end of the current year and approval of our previous recommendation relative to the engineering positions removes the justification for this clerical position.

1.5 Temporary help (budget page 552, line 58)----- \$6,150

This temporary clerical help is proposed to enable the board to meet the workload involved in handling inquiries from the public in regard to the crankcase control program.

We recommend a reduction of \$3,075 in salaries and wages for 0.75 temporary help and approval of \$3,075 for 0.75 temporary help for six months only through December 31, 1965.

Temporary clerical help was approved for the budget year only. The approval of our recommendation will provide the board with temporary clerical help through December 31, 1965, to handle inquiries from the public relative to the crankcase control program. This will coincide

Motor Vehicle Pollution Control Board—Continued

with the termination of the board's timetable for the installation of crankcase control devices on used cars.

2 Field representative (budget page 552, line 55)----- \$15,393

These positions, which are proposed to be fully reimbursed by the California Highway Patrol, have been administratively established during the current year and are proposed to be continued in the budget year to serve in a liaison capacity in the establishment of the Air Pollution Device Installation and Inspection Stations.

We recommend approval of \$15,393 for two field representatives subject to continued full reimbursement from the Highway Patrol and for the budget year only.

These positions were originally established in the Highway Patrol. However, they were transferred to the Motor Vehicle Pollution Control Board because of the close technical supervision from the board which is part of the crankcase control program. The Highway Patrol proposes to continue to finance these positions through reimbursement during the budget year.

We are recommending approval of these positions for the budget year only which will allow a review of the continued need for these positions after the termination of the board's timetable for the installation of crankcase devices on used cars.

Contractual service—from Motor Vehicle Emissions Facility
(budget page 553, line 7)----- \$285,216

The board proposes to continue to contract with the Department of Public Health for the testing of devices at the department's Los Angeles Motor Vehicle Emissions Facility in the amount of \$285,216 during the budget year.

We recommend a reduction of \$95,072 and the approval of \$190,144 to support the contractual services the Motor Vehicle Pollution Control Board obtains from the Department of Public Health's Motor Vehicle Emissions Facility.

Our recommended reduction of \$95,072 is one-third of the \$285,216 which is proposed to support the cost of the board's device testing contract with the Motor Vehicle Emissions Facility.

The board has carried on an intensive device test program since 1960 and has, to date, certified 49 crankcase control systems for factory installation on new vehicles and six crankcase control systems for installation on used vehicles. The board has also approved five exhaust control systems for factory installation on new vehicles and one exhaust control system for installation on used vehicles.

One result of this activity is that all new vehicles are required to be equipped with factory-installed approved crankcase control devices and all used vehicles manufactured since 1950 and registered in participating counties or air pollution control districts are required to have approved crankcase control devices installed on a timetable established by the board. This timetable will be completed in December 1965 or midway through the budget year.

Motor Vehicle Pollution Control Board—Continued

The other result of this activity is an anticipation that all new cars beginning with 1966 models will be equipped with factory-installed approved exhaust control devices. However, due to the failure of the board to approve a second exhaust control device for installation on used vehicles, the law requiring such installation cannot be implemented before 1967 at the earliest which is well after the budget year.

Our recommendation for a reduction in funds for contractual services from the Vehicle Emissions Facility is based on the fact that the job of device testing which was initiated in 1960 is largely completed. We have no information which justifies the continued support of this activity at the existing accelerated expenditure level. We are confident that the remaining device testing activity relating to evaluation of crankcase control devices, evaluation of exhaust control devices which are installed on 1966 model cars and the evaluation of those devices which will be submitted to meet the revised 1970 motor vehicle pollution control standards can be effectively carried on within the recommended emissions facility contractual services expenditure of \$190,144. The board also will have an additional amount of \$45,000 to finance the cost of contracting for services from outside sources.

POLICY OPTION

A policy option involves the source of support of the Motor Vehicle Pollution Control Board. This board has been supported from the General Fund since it was established under authority of Chapter 23, Statutes of 1960. The Legislature might give consideration to the support of the Motor Vehicle Pollution Control Board from motor vehicle tax and fee special fund revenues.

The policy issue involved is whether the support of the board, which is working toward a reduction of pollution of the atmosphere by motor vehicles, is a proper charge upon the General Fund or whether it might more properly be charged to special fund revenues provided by users of motor vehicles. This would provide reduced General Fund expenditures for the budget year in the amount of \$454,396, assuming approval of our previous recommendations for reduction in the expenditures of the board.

**Department of Rehabilitation
GENERAL ACTIVITIES**

ITEM 165 of the Budget Bill

Budget page 559

**FOR SUPPORT OF THE DEPARTMENT OF REHABILITATION
FROM THE GENERAL FUND**

Amount requested	\$5,244,601
Estimated to be expended in 1964-65 fiscal year	4,991,318
Increase (5.1 percent)	\$253,283
TOTAL RECOMMENDED REDUCTION	\$199,163

General Activities—Continued

Summary of Recommended Reductions					
From amount requested to maintain existing level of service:					
Division of Administration	<i>Total</i>	<i>State</i>	<i>Federal</i>	<i>Budget Page</i>	<i>Line</i>
1. 2 Intermediate typist-clerk ---	\$8,688	\$4,241	\$4,447	563	72
Division of Vocational Rehabilitation					
Vocational Guidance and Placement					
2. Case services -----	251,771	122,990	128,781	566	59
Division of Rehabilitation of the Blind					
Administration					
Operating expenses					
3. Contractual services for blind					
residents -----	58,000	58,000	—	570	21
Medical expenses -----	4,500	4,500	—	570	22
Payments to blind residents ---	3,000	3,000	—	570	23
Field rehabilitation services					
for the blind					
4. 1 Teacher-counselor for the					
blind -----	6,432	6,432	—	571	8
	<u>\$332,391</u>	<u>\$199,163</u>	<u>\$133,228</u>		

PROGRAM PLANS AND BUDGET

The Department of Rehabilitation's 1965-66 budget proposes \$22,-539,864 to support seven rehabilitation programs. These programs encompass Items 165 through 167 of the Budget Bill. The following is a summary of the proposed activity of each of these programs:

(1) Vocational Rehabilitation

The department's state-federal financed vocational rehabilitation program consists of medical diagnosis, evaluation, vocational counseling, medical restoration, vocational training, job placement, followup and other services for vocationally handicapped persons. The budget proposes \$9,742,587 to support this program. A substantial majority of the vocational rehabilitation program involves federal-state support in the ratio of 51.19 percent of federal funds to 48.81 of state General Funds. This involves:

(a) Services to California residents over age 16 whose vocational potential is limited by the effects of a physical or mental impairment.

(b) Emphasis on services to those disabled persons whose needs are greatest and who show potential to benefit vocationally from the services.

(c) Priority services to recipients of public assistance, the industrially injured and mental hospital patients who can be considered for release.

(d) Rehabilitation of an estimated 4,000 clients. This includes the provision of specialized services for 1,593 legally blind adult clients, 237 of whom will become self-supporting.

(e) Demonstration special project programs providing for rehabilitation of disabled welfare recipients and vocational rehabilitation of the industrially injured.

(f) Expanded services through cooperative agreements to enable services to be offered to additional applicants.

(g) Establishment of clients in self-supporting, permanent employment.

General Activities—Continued**(2) Prevocational and Personal Adjustment**

The department's program of orientation and personal adjustment through services rendered to adult blind clients in their homes and the new Orientation Center in Albany will be supported at a proposed cost of \$707,521. This involves:

(a) An estimated 1,346 blind clients who will be served by teacher-counselors in the field and through the expanded 38 resident study capacity of the Orientation Center.

(3) Training and Employment

The department's on-the-job training and employment opportunities for blind and other disabled clients through its workshops and business enterprise installations (snackbars, cafeterias, and vending stands) will be supported at a proposed cost of \$813,051. This involves:

(a) Manufacturing workshops where an estimated 266 clients who are blind or otherwise handicapped will be employed. In addition, work evaluation, work adjustment and additional on-the-job training activities will be conducted. Efforts will be made to place qualified workers in private competitive employment outside of the workshops.

(b) Subcontract workshops where an estimated 130 clients who are blind or otherwise handicapped will be employed. In addition, work evaluation, work adjustment and additional on-the-job training activities will be conducted. Transfer of clients who become qualified for full time work in the manufacturing workshops. Others who qualify for private competitive employment without further preparation will be placed outside of the workshops.

(c) Administration of a business enterprise activity in which 277 blind operators will earn an estimated total of \$1,646,042 and employ approximately 190 other handicapped persons. Eighteen new snackbars, cafeterias, and vending stands will be established as part of this activity.

(4) Custodial Care

Provision is made for nursing home care for 12 blind persons who were patients at the former Oakland Orientation Center for the Blind. The budget proposes \$65,500 to support this program.

(5) Disability Certification

The department's disability certification activity will adjudicate an estimated 55,000 claims for social security disability benefits. The budget proposes \$2,834,691 to support this program.

(6) Consultation

The department's consultation program provides continued consultative services to sheltered workshops in California. The budget proposes \$79,504 to support this program. These services are designed to enable these workshops to keep abreast with changes in the labor market, rehabilitation emphasis and services for the mentally retarded. This involves:

(a) An estimated 170 consultations to be furnished to sheltered workshops. Approximately 12 percent of these consultations will be devoted to workshops for the blind and handicapped which are operated by the department.

(7) Cooperative Rehabilitation Services

General Activities—Continued

The budget proposes \$8,297,000 to support this new program which is discussed in detail in our analysis and recommendations section.

REVIEW OF AGENCY ACCOMPLISHMENTS

The Department of Rehabilitation's 1963-64 budget totaled \$11,203,180 for the support of six rehabilitation programs, while the actual cost of carrying out these programs totaled \$11,130,400. Following is a summary of the costs and activity of each of these programs:

(1) Vocational Rehabilitation

The budget provided \$7,638,009 for the support of this program. The actual cost of this program was \$7,501,806. The program provided rehabilitation services to 3,045 clients. This included the provision of specialized services to 1,083 legally blind adult clients, 139 of whom became self-supporting.

(2) Prevocational and Personal Adjustment

The budget provided \$552,780 for the support of this program. The actual cost of this program was \$477,420. This program provided 1,290 adult blind orientation and personal adjustment services in their own homes and in an orientation center.

(3) Training and Employment

The budget provided \$742,936 to support this program. The actual cost of this program was \$705,815. The program provided on-the-job training and full time employment for 254 blind or otherwise handicapped clients in three manufacturing workshops. Part time employment averaging six and one-half hours per day was also provided in three subcontract workshops for 109 clients. A vending stand, snack-bars, and cafeterias activity located in public and private buildings, provided on-the-job training and employment to 241 blind operators who earned a total of \$1,423,944. These operators employed 166 other handicapped persons.

(4) Custodial Care

The budget provided \$80,638 to support this program. The actual cost of this program was \$64,118. This program provided nursing home care for 14 blind persons.

(5) Disability Certification

The budget provided \$2,121,192 for the support of this program. The actual cost of this program was \$2,313,912. The disability certification program adjudicated 44,301 claims for social security disability benefits.

(6) Consultation

The budget provided \$67,625 to support this program. The actual cost of this program was \$67,329. A total of 168 consultations were furnished to sheltered workshops. Approximately eight percent of this consultation was devoted to the workshops for the blind and handicapped operated by the department.

ANALYSIS AND RECOMMENDATIONS**Cooperative Rehabilitation Services Program**

The budget proposes a program of cooperative rehabilitation services in the amount of \$8,297,000 in federal funds to improve and expand vocational rehabilitation services to the mentally ill and mentally re-

General Activities—Continued

tarded, disabled young people, disabled inmates, wards and parolees and disabled public assistance recipients. Grants will be made to private organizations and individuals for workshop or rehabilitation activities and additional consultation will be furnished to workshops for the handicapped. The implementation of this program is to be accompanied by a staff development program directed to the staff of the cooperating agencies. These cooperative rehabilitation services include:

1. Vocational rehabilitation services in cooperation with the Department of Mental Hygiene, in the amount of \$1 million to serve 2,000 patients, at any one time, in state hospitals for the mentally ill and mentally retarded.

2. Sheltered workshops in cooperation with the Department of Mental Hygiene in the amount of \$150,000 to serve 350 patients annually in state hospitals for the mentally ill and mentally retarded.

3. Community rehabilitation units in cooperation with the Department of Mental Hygiene in the amount of \$750,000 to develop a vocational oriented community rehabilitation program for 1,500 people, at any one time, following their discharge from the state hospitals.

4. Community vocational rehabilitation activity in cooperation with the Department of Mental Hygiene in the amount of \$1 million to serve 2,000 patients, at any one time, who are under treatment in Short-Doyle local mental health clinics.

5. Rehabilitation services in cooperation with the Department of Public Health in the amount of \$1 million to serve 2,000 children, at any one time, who are being medically restored under the Department of Public Health's crippled children services program.

6. Rehabilitation services in cooperation with local school districts and in cooperation with the Department of Education in relation to state schools for the handicapped in the amount of \$750,000 for vocational rehabilitation counselors who will develop prevocational activity for 2,000 disabled, including the mentally retarded, at any one time prior to and following their separation from the public educational system.

7. Vocational rehabilitation services in cooperation with the State Youth and Adult Corrections Agency in the amount of \$1 million to serve 1,500 disabled, at any one time, in state youth and adult correction facilities as well as disabled parolees.

8. Vocational rehabilitation services in cooperation with the Department of Social Welfare in the amount of \$500,000 to serve 1,000 disabled welfare recipients at any one time.

9. Grants to private organizations or individuals in the amount of \$2 million to provide for the establishment or expansion of workshops or rehabilitation facilities.

10. Use of industrial consultants and shop manuals in the amount of \$47,000 to demonstrate whether the effectiveness of workshops can be increased.

11. Staff development and training programs in the amount of \$100,000 to train state staff involved in the cooperative rehabilitation services described above.

General Activities—Continued

We recommend approval of \$8,297,000 for cooperative rehabilitation services limited to June 30, 1967.

We also recommend that the department measure the results of the addition of more than \$5,500,000 of vocational rehabilitation funds to the existing vocational rehabilitation programs of five state agencies, through the development of goal-centered criteria for evaluating this program on the same basis as the continuing evaluation of the department's existing program; that criteria for evaluation be included as part of each contract with cooperating agencies; and that the department annually report to the Legislature in terms of the reduced number of patients of the Department of Mental Hygiene, reduced caseload of the Department of Social Welfare, reduced number of crippled children treated by the Department of Public Health who subsequently enter the welfare rolls, reduced number of students supported by the Department of Education, reduced number of wards, inmates and parolees of the Youth and Adult Corrections Agency.

The approval of our recommendation for a limitation on the duration of this program will give the 1967 Session of the Legislature an opportunity to review this program and to act on departmental recommendations for extension of elements of the cooperative rehabilitation services program.

Consideration can also be given to the adverse affect, if any, on ongoing departmental operations which might result from the sheer size of this proposed program, \$8,297,000, which is 37 percent of the total \$22,539,864 budget requested for all activities of the department.

This recommendation relative to the measurement of results of this proposed program is based on the conclusion that the simple act of doubling certain rehabilitation activities will not, in itself, assure that improved results will be obtained from these programs. The program proposes to demonstrate whether a doubling of certain rehabilitation programs will substantially reduce the number of handicapped persons who are, or otherwise would, become public charges. There is a serious question as to the value of existing rehabilitation programs in terms of their positive contribution to the accomplishment of objectives in the affected programs, and this increment should either prove its worth or other approaches should be considered.

Division of Departmental Administration

2 Intermediate typist-clerk (budget page 563, line 72)----- \$8,688

The budget proposes two clerical positions; one to be used in the personnel section and the other to be used in the mailroom.

We recommend a reduction of \$8,688 in salaries and wages for two intermediate typist-clerk.

One clerical position is to be used in the personnel section to maintain the personnel roster and relieve the supervisor who is presently carrying one-half to two-thirds of the roster workload. The roster is being maintained during the current year and the supervisor should continue to assist in maintaining the roster, as needed, during the budget year.

General Activities—Continued

The other clerical position is proposed for the mailroom to serve full-time on mail and messenger work. This activity is presently being carried out by a property clerk who is assigned to this activity. This clerk could be continued in this activity during the budget year.

Division of Vocational Rehabilitation
Vocational Guidance and Placement

Case services (budget page 566, line 59)----- \$4,538,000

The budget proposes \$4,538,000 to be used for the purchase of case services by the rehabilitation counselors in the vocational guidance and placement section.

We recommend a reduction of \$251,771 and the approval of the remaining \$4,286,229 budgeted for case services.

Case services in the amount of \$4,195,729 are estimated to be expended in the current year. The budget proposes and we recommend approval of seven new rehabilitation counselor positions on the basis of reimbursable contracts and workload. These counselors should be budgeted for case service funds in the usual amount of \$12,500 for each new counselor, or a total of \$87,500. Our recommendation allows for an increase of \$87,500 for case services over the \$4,195,729 which is estimated to be expended in the budget year.

Division of Rehabilitation of the Blind
Administration
Operating Expenses

Contractual services for blind residents (budget page 570, line 21) ----- \$58,000

Medical expenses (budget page 570, line 22)----- 4,500

Payments to blind residents (budget page 570, line 23)----- 3,000

The department proposes a total of \$65,500 to care for 12 former residents of the original Oakland Orientation Center for the Blind. The department assumed this obligation when it came into being on October 1, 1963, and these former residents are currently located in a private rest home.

We recommend a reduction of \$58,000 for contractual services for blind residents, \$4,500 for medical expenses and \$3,000 for payments to blind residents for a total reduction of \$65,500 and the transfer of the responsibility for the support of these blind residents to the Department of Social Welfare as of July 1, 1965, subject to the approval of changes in the Welfare and Institutions Code.

The provision of nursing or residence home care cannot be related to the rehabilitation function of the Department of Rehabilitation but does fall within the competence of the Department of Social Welfare.

The implementation of this recommendation is contingent on the adoption of legislation which would repeal Section 3251 and amend and renumber 3252 of the Welfare and Institutions Code. The Legislative Counsel has provided an opinion (Welfare—6197) which indi-

General Activities—Continued

cates that Sections 3251 and 3252 as now written would not permit the Department of Rehabilitation to transfer its responsibility to another state department.

Field Rehabilitation Services for the Blind

1 Teacher-counselor for the blind (budget page 571, line 8)— \$6,432

A teacher-counselor position at an annual salary of \$6,432 is presently authorized to serve Santa Cruz, Monterey, San Benito and San Luis Obispo Counties. This position has been vacant since May 1961.

We recommend a reduction of \$6,432 in salaries and wages for one teacher-counselor for the blind.

The department has sought and received authorization for this position for the past four years. Our recommendation would abolish this position which cannot be filled.

Department of Rehabilitation
INDUSTRIES FOR THE BLIND

ITEM 166 of the Budget Bill

Budget page 574

FOR SUPPORT OF INDUSTRIES FOR THE BLIND
FROM THE GENERAL FUND

Amount requested	\$386,772
Estimated to be expended in 1964-65 fiscal year	372,278
Increase (3.9 percent)	\$14,494
TOTAL RECOMMENDED REDUCTION	\$14,494

Summary of Recommended Reductions

	Amount	Budget Page	Line
From amount requested to maintain existing level of service:			
Reduce support—Industries for the Blind	\$14,494	574	13

PROGRAM PLANS AND BUDGET

The program plans and budget activities for the Industries for the Blind for 1965-66 is provided under the program plans and budget discussion for general activities which is included as part of Item 165, Department of Rehabilitation.

REVIEW OF AGENCY ACCOMPLISHMENTS

The review of agency accomplishments for the Industries for the Blind for 1963-64 is provided under the discussion of agency accomplishments which is included as part of Item 165, Department of Rehabilitation.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an expenditure of \$386,772 to support the industries for the blind. This is an increase of \$14,494, or 3.9 percent, above the \$372,278 which is estimated to be expended in the current year.

These industries for the blind consist of three manufacturing workshops located in Berkeley, Los Angeles and San Diego and a central administrative office located in Sacramento.

Industries for the Blind—Continued

The program is supported from two sources: appropriations from the General Fund and income from the Industries for the Blind Manufacturing Fund.

We recommend a reduction of \$14,494 and the approval of the remaining \$372,278 for support of the Industries for the Blind.

At the 1963 General Session, the Senate Finance Committee directed, in part, that "the management of the California Industries for the Blind be directed to strive for the eventual operation of the centers without General Fund support." To achieve this end a comprehensive sales program is to be developed so as eventually to place the California Industries for the Blind on a self-supporting basis. We also have expressed our concern as to the inability of this program to operate on a self-sufficient basis, and to achieve this end we have urged that an efficient production program be established which is directly related to a comprehensive sales program which will sell those goods which can be produced by the industries. Sales, however, dropped from \$2,725,234 in 1958-59 to a low of \$2,129,846 in 1959-60. In 1962-63 sales had risen to \$2,527,418 only to fall again to \$2,454,910 in 1963-64, the last year for which information is available.

The budget forecasts an increase in the total number of workers with a decrease in General Fund support per worker. However, experience indicates that this estimate of an increased number of workers may be substantially in excess of the actual number of workers as shown in the following table:

<i>Fiscal year</i>	<i>Estimated number of workers</i>	<i>Actual number of workers</i>	<i>Overestimate</i>
1961-62	238	188	27%
1962-63	215	191	13
1963-64	256	189	35

Based on these inaccurate estimates during the last three years, the department's estimate of 260 workers in 1965-66 would appear to be overstated by the average overestimate of 25 percent. A correct estimate, based on the historical trend, would be 195 workers. This estimate indicates that the budget proposal actually provides for an increased level of General Fund support per worker from the existing high level of an actual \$1,890 per worker in 1963-64 and an estimated \$1,983 per worker in 1965-66. This support would be even higher if a value were placed on the existing rent free facilities of the San Diego and Los Angeles centers.

Our recommendation for reduction is based on the fact that the department has failed to take any effective fiscal steps toward the goal of a self-supporting operation and has, in fact, proposed a General Fund increase of \$14,494. Our recommendation will maintain the General Fund support at the estimated 1964-65 expenditure level.

**Department of Rehabilitation
ORIENTATION CENTER FOR THE BLIND**

ITEM 167 of the Budget Bill

Budget page 579

**FOR SUPPORT OF THE ORIENTATION CENTER FOR THE
BLIND FROM THE GENERAL FUND**

Amount requested	\$155,820
Estimated to be expended in 1964-65 fiscal year	149,860
Increase (4.0 percent)	\$5,960

TOTAL RECOMMENDED REDUCTION..... None

PROGRAM PLANS AND BUDGET

The program plans and budget activities for the Orientation Center for the Blind for 1965-66 is provided under the program plans and budget discussion for general activities which is included as part of Item 165, Department of Rehabilitation.

REVIEW OF AGENCY ACCOMPLISHMENTS

The review of agency accomplishments for the Orientation Center for the Blind for 1963-64 is provided under the discussion of agency accomplishments which is included as part of Item 165, Department of Rehabilitation.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an expenditure of \$155,820 to support the Orientation Center for the Blind which is located in Albany. This is an increase of \$5,960, or 4 percent, above the \$149,860 which is estimated to be expended in the current year.

We recommend approval of the budget as submitted.

The budget proposes to continue operations at the same level as exists during the current year.

Summary**Social Welfare****Department of Social Welfare****SUMMARY**

Proposed Expenditures (categorized in three different ways)

1. Amounts and Sources of Proposed Expenditures

Amount requested from the General Fund	\$450,609,106
Federal funds	522,289,744
County funds	192,931,609
Private association funds	19,879

Total \$1,165,850,338

2. For the Support of:

Department of Social Welfare	\$9,294,289
Subventions for:	
Assistance	1,032,272,300
General Assistance	370,366
Rehabilitative services	144,290
Local Administration	115,158,316
Licensing and Adoptions	8,610,777

Total \$1,165,850,338

3. Programs:

Support for Dependent Persons	\$1,152,033,981
Protective and Community Services	13,816,357

Total \$1,165,850,338

Recommended Reductions from the Proposed Expenditures
(categorized in three different ways)**1. From the Amount Proposed for Support of:**

Department of Social Welfare	\$171,165
Subventions for:	
Assistance	18,433,624
General Assistance	-
Rehabilitative services	-
Local Administration	1,068,827
Licensing and Adoptions	-

Total \$19,673,616

2. From Amounts Requested:

To Maintain Existing Level of Service	\$8,252,456
For New or Improved Services	11,421,160

Total \$19,673,616

3. From Amounts Requested to Support the Program of:

Support for Dependent Persons	\$19,117,259
Protective and Community Services	556,357

Total \$19,673,616

PROGRAM PLANS AND BUDGET

The Department of Social Welfare proposes a total 1965-66 expenditure of \$1,165,850,338 for the provision of public social services to persons in need and for the supervision and administration of such services. This is an increase of \$157,129,468 or 15.6 percent over the estimated expenditure level in the current fiscal year. It is approxi-

Program Plans and Budget—Continued

mately 10 and one-half times the comparable cost of welfare in 1945-46. When it is adjusted for the price and population changes which have occurred in the past 20 years, it is apparent that the 1965-66 welfare obligation of every California citizen is approximately three times what it was in 1945-46.

It is equally apparent, in view of the steadily increasing estimates of cases and costs which are incorporated into this budget, that the tremendously increased investment of concern and money in the welfare program over the past 20 years has not provided even partial solutions to the problems of hardship and dependency.

Welfare expenditures are to be supported in 1965-66 with \$522,-289,744 in federal funds, \$450,609,106 from the General Fund, \$192,-931,609 in county funds, and \$19,879 in private association funds. These totals do not include county costs for general relief and other programs for which the counties are wholly responsible.

The cost of new or expanded social welfare services is estimated to be \$11,601,922, and 18.3 new positions are proposed to be added as a part of some of these new or expanded services. Such an expenditure is proposed to support the microfilming of adoption case records; an improvement in computer programing analytical procedures; the development of experiments relating to alternate methods of payment for nursing home care under MAA; increased activity in the field of hospital audits; additional interpretation and development of child welfare day care services; special projects in the fields of aging and welfare dependency; an increased housing allowance and visiting nurse, eye refraction, maternity and adult medical care services in the Aid to Families with Dependent Children program; county administration of a blanket workmen's compensation insurance coverage of persons engaged in community work experience or vocational training pursuant to 1963 legislation; and a medical care resources and utilization project to ascertain information concerning the operation of the Public Assistance Medical Care and Medical Assistance for the Aged programs.

In addition, 24 new positions at a cost of \$182,298 are being requested to meet workload increases in the fields of complaints and inquiries, licensing and appeals, Aid to the Needy Disabled review, and central services.

The welfare activities and services which are maintained under the supervision or administration of the Department of Social Welfare may be grouped into two categories: (1) those which provide direct support for dependent persons meeting specific needs including food, housing, clothing and medical care; and (2) those of a protective or community service nature which attempt to alleviate dependency-causing conditions and which seek solutions to such conditions through nonmonetary assistance to or vendor payments for an individual as distinguished from direct support of individuals. These two categories of activities and services constitute the two basic programs in the field of social welfare. The Department of Social Welfare estimates that approximately 1,200,000 persons will receive money or services under these programs. This is 6.3 percent of the total estimated civilian population on June 30, 1966, or approximately 1 out of every 16 Californians.

Summary

Social Welfare

Program Plans and Budget—Continued Support for Dependent Persons

Of the total social welfare expenditures, \$1,152,033,981, or 98.8 percent, is proposed to be expended in direct support of dependent persons in 1965-66. It is estimated that an average of approximately 1,023,265 cases per month will receive direct support under the program. Such a program involves the following activities, with their respective proposed expenditures which include administrative costs.

Old Age Security

To provide an average assistance payment of \$101.11 to an average of 276,155 cases per month and an average medical care vendor payment of \$13.66 for an average of 276,155 cases per month ----- \$406,481,658

Aid to the Blind

To provide an average assistance payment of \$121.12 to an average of 12,610 cases per month and an average medical care vendor payment of \$15.21 for an average of 12,630 cases per month ----- \$23,260,052

Aid to the Potentially Self-supporting Blind

To provide an average assistance payment of \$148.75 to an average of 60 cases per month and an average medical care vendor payment of \$15.21 for an average of 60 cases per month ----- \$118,000

Aid to the Needy Disabled

To provide an average assistance payment of \$102.22 to an average of 91,438 cases per month and an average medical care vendor payment of \$19.03 for an average of 91,720 cases per month ----- \$152,853,282

Aid to Families With Dependent Children

To provide an average assistance payment of \$43.56 to an average of 587,955 family group persons per month and an average payment of \$93.50 to an average of 18,925 foster home children per month, and an average medical care vendor payment of \$3.88 for an average of 589,905 cases per month ----- \$415,629,994

Medical Assistance for the Aged

To provide an average payment of \$380 for an average of 31,000 inpatient cases per month and \$27 for an average of 2,275 outpatient cases per month ----- \$149,981,573

Special Projects

To provide for an undetermined number of special projects concerned with administration of public assistance ----- \$2,373,005
To provide for one medical care resources and utilization project... \$26,995

Training

To provide for 1,600 man-weeks of inservice training, 1 state orientation center, 146 graduate scholarships, 8 public assistance field instruction units, and 38 institutes and conferences ----- \$939,056

General Assistance

To provide an average assistance payment of \$69.67 to an average of 443 cases per month (persons discharged from inpatient status in the MAA programs) ----- \$370,366

TOTAL ----- **\$1,152,033,981**

The per capita per month cost of providing support for dependent persons in 1965-66 is estimated to be approximately \$112.58.

The total proposed support of dependent persons expenditure is to be funded with \$519,326,495 in federal funds, \$439,785,247 from the General Fund, and \$192,922,239 in county funds.

State and county administrative expenditures account for 10.4 percent or \$119,391,275 of the total requested 1965-66 expenditure for

Program Plans and Budget—Continued

this program. The remainder, 89.6 percent or \$1,032,642,706 is the amount proposed for direct assistance and vendor payments for the support of dependent persons in the budget year.

Some consideration should be given to the possible effect upon the medical care activities in the support for dependent persons program of the various proposals for medicare now pending before the Congress of the United States, in the event any of these measures are enacted into law. While it is clear that such proposals would affect the Public Assistance Medical Care portion of Old Age Security and the Medical Assistance for the Aged program, it is difficult at this time to assess the degree to which such programs would be affected, if any of these proposals were to be passed. In its present form, however, coverage under the administration's medicare proposal would not begin before July 1, 1966, and thus the effect upon the 1965-66 California budget, if this measure is enacted, would perhaps be negligible.

Protective and Community Services

An expenditure in the amount of \$13,816,375 is proposed to provide protective and community services to certain groups and individuals apart from their direct support. Such an expenditure represents 1.2 percent of the total social welfare budget request. The program of protective and community services involves the following activities, with their respective proposed expenditures which include administrative costs.

Prevention of Blindness

To provide for 28 surgeries, 20 glaucoma treatments and 10 refractions and glasses	\$24,290
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Sheltered Workshops

To provide work training services to an average of 200 mentally retarded ATD recipients per month in 30 centers	\$120,000
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Adoptions

To provide for 5,406 relinquishment adoptions; 2,866 court reports completed for independent adoptions; and 1,725 children requiring interagency services	\$8,687,297
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Child Welfare Services

To provide approximately 2.3 man-years of consultant services to welfare agencies and community groups, 18.2 man-years of direct child welfare services, reimbursement to an undetermined number of counties, an undetermined number of child-hours of day care, and case-worker services to an undetermined number of children per month	\$1,490,140
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Special Projects

To provide for an undetermined number of special projects in the field of community services for older persons	\$175,000
To provide for an undetermined number of special projects in the field of child welfare services	\$343,086
To provide for an undetermined number of special projects in the field of day care	\$220,000
To provide for one special project on aging	\$19,879
To provide for one welfare dependency project	\$61,985

Licensing and Inspection

To provide for the licensing and inspection of 4,548 boarding homes and institutions for the aged (new and renewal)	\$434,446
To provide for the licensing and inspection of 22,661 boarding homes, institutions and day nurseries for children (new and renewal)	\$2,230,864

Summary

Social Welfare

Program Plans and Budget—Continued

County Administration

To provide for the premium proration, billing and reporting for the State Compensation Insurance Fund, relative to persons engaged in community work experience and vocational training programs..... \$9,370

TOTAL \$13,816,357

The total proposed expenditure for protective and community services is to be supported with \$2,963,249 in federal funds, \$10,823,859 from the General Fund, \$9,370 in county funds,¹ and \$19,879 in private association funds.

The proposed administrative or research expenditure for this program is \$3,169,936, or 22.9 percent, of the total proposed budget year protective community services expenditures. A remainder of \$10,656,421, or 77.1 percent, is to be expended for services or local assistance to effect the protective and community services program in 1965-66. However, in many of the activities included in this program, it is impossible, due to the service nature of these activities, to separate purely administrative or research expenditures from services or assistance expenditures.

REVIEW OF AGENCY ACCOMPLISHMENTS

A total of \$835,369,949 was expended in social welfare in 1963-64 to provide support for dependent persons and protective and community services, which exceeded the amount budgeted by \$12,982,026, or 1.6 percent. The total social welfare expenditure was composed of \$388,704,919 in federal funds, \$318,307,906 from the General Fund, and \$128,357,124 in county funds in that year.

Support for Dependent Persons

In 1963-64, the sum of \$825,294,842 was expended in the support of dependent persons program which was 98.8 percent of the total social welfare expenditures in that year. An estimated average total of approximately 766,504 cases per month received such support. The budgeted amount for the support of dependent persons program, as enacted, was \$811,990,270, to provide support to an estimated average caseload level of approximately 701,616 cases per month. Actual expenditures exceeded the budgeted amount by 1.6 percent.

By subprogram or activity, expenditures and services within the support for dependent persons programs stood at the following levels in 1963-64 which includes administrative costs.

Old Age Security

Provided an average assistance payment of \$95.73 to an average of 266,134 cases per month, and an average medical care vendor payment of \$13.95 for an average of 266,374 cases per month \$373,858,787

Aid to the Blind

Provided an average assistance payment of \$115.90 to an average of 12,147 cases per month, and an average medical care vendor payment of \$13.88 for an average of 12,165 cases per month \$21,119,958

¹ County participation shown here is limited only to the county administration of insurance requirements described above and in the budget. Actual county participation in the protective and community services program is a greater, undetermined amount.

Social Welfare

Summary

Review of Agency Accomplishments—Continued

Aid to the Potentially Self-Supporting Blind

Provided an average assistance payment of \$143.06 to an average of 90 cases per month, and an average medical care vendor payment of \$12.80 for an average of 92 cases per month ----- \$172,069

Aid to the Needy Disabled

Provided an average assistance payment of \$91.34 to an average of 42,199 cases per month, and an average medical care vendor payment of \$20.73 for an average of 42,329 cases per month ----- \$65,054,821

Aid to Families with Dependent Children

Provided average assistance payments of \$42.17 to an average of 407,979 family group persons per month and \$87.08 to an average of 17,053 foster home children per month; and an average medical care vendor payment of \$2.67 for an average of 409,278 cases per month... \$276,970,981

Medical Assistance for the Aged

Provided average vendor payments of \$334.56 for an average of 20,316 inpatient cases per month and \$11.81 for an average of 586 outpatient cases per month ----- \$86,681,566

Special Projects

Provided for 43 special projects concerned with administration of public assistance at an average cost of \$25,880 per project ----- \$1,112,854

Training

Provided for 860 man-weeks of inservice training, one state orientation center, 52 graduate scholarships, and five public assistance field instruction units, exclusive of child welfare services training activities \$323,806

TOTAL ----- **\$825,294,842**

The average per capita per month cost of providing support to dependent persons in 1963-64 was approximately \$107.67. The 1963-64 budget provided for an average per capita cost per month for this program of approximately \$115.73.

Included in the total 1963-64 expenditure for this program were \$386,880,286 in federal funds, \$310,057,432 from the General Fund and \$128,357,124 in county funds. The 1963-64 final budget included \$369,855,942 in federal funds, \$313,818,028 from the General Fund and \$128,316,300 in county funds in this area.

State and county administrative costs were \$80,066,521, or 9.7 percent, of the total support of dependent persons expenditure in 1963-64. Direct assistance and vendor payments in that year for this program were provided in the amount of \$745,228,321, or 90.3 percent, of the total dependent persons support expenditure in 1963-64. Comparable figures for: 1) administrative costs and 2) direct assistance and vendor payments in the 1963-64 budget were \$74,530,370 (9.2 percent) and \$737,459,900 (90.8 percent) respectively.

While the above figures show some relationship between budgeted and actual expenditures, an evaluation of the support for dependent persons program may be undertaken with a number of possible criteria, including (1) the ratio of administrative expenditures to total expenditures, (2) the ratio of departmental man-years to caseload case-months, (3) the per capita per month cost per recipient as related to assistance levels, and (4) the ratio of termination minus reapplications to total caseload, in order to measure caseload turnover.

Summary

Social Welfare

Review of Agency Accomplishments—Continued Protective and Community Services

Protective and community services were supported with \$10,075,107 of the total social welfare expenditure in 1963-64, which was 1.2 percent of that total expenditure. As enacted, the 1963-64 budget provided for a protective and community service expenditure of \$10,397,653. Actual expenditures were less than the budget figures by 3.1 percent.

The following activities and their respective expenditures were included in the protective and community services program in 1963-64 which includes administrative costs.

Prevention of Blindness

Provided for 22 surgeries, 17 glaucoma treatments and one refractions and glasses -----	\$16,412
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Sheltered workshops

Provided work training services to an average of 95 mentally retarded ATD recipients per month in 22 centers -----	(\$29,322) ²
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Adoptions

Provided for 3,832 relinquishment adoptions; 2,750 court reports completed for independent adoptions; and 1,412 children requiring interagency services -----	\$5,818,346
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Child Welfare Services

Provided 2.3 man-years of consultant services to welfare agencies and community groups, one man-year of direct child welfare services, reimbursement to 18 counties, an undetermined amount of day care, caseworker services to an average of 5,600 cases per month and 101 graduate training scholarships and a number of institutes and conferences -----	\$1,197,911
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Special Projects

Provided for 21 special projects in the field of community services for older persons at an average cost of \$6,957 per project -----	\$146,106
Provided for 28 special projects in the field of child welfare services at an average cost of \$22,846 per project -----	\$639,684
Provided for four special projects in the field of day care at an average cost of \$3,268 per project -----	\$13,070

Licensing and Inspection

Provided for the licensing and inspection of 3,975 boarding homes and institutions for the aged (new and renewal) -----	\$376,921
Provided for the licensing and inspection of 19,736 boarding homes, institutions and day nurseries for children (new and renewal) -----	\$1,866,657

TOTAL -----	\$10,075,107
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Federal funds in the amount of \$1,824,633 and General Fund revenues in the amount of \$8,250,474 supported the total protective and community services expenditure in 1963-64. The budget for that year provided for sharing on the basis of \$1,926,537 in federal funds and \$8,471,116 from the General Fund for the support of this program.

Costs of administering and providing research in the protective and community services program were \$2,781,949 or 27.6 percent of the total program expenditure in 1963-64. The remainder, \$7,293,158 or 72.4 percent, was devoted to services or local assistance in implementing protective and community services. The 1963-64 budgeted amount for

² In 1963-64 the total expenditure for sheltered workshops was included as part of the support budget operating expense expenditures and is distributed among all of the programs or activities. Consequently, it is not directly or solely included in the 1963-64 total expenditure for the Protective and Community Services program.

Review of Agency Accomplishments—Continued

administrative or research costs was \$2,769,472 or 26.6 percent, while that for services and local assistance was \$7,628,181 or 73.4 percent of the total protective and community services budget in 1963-64. As noted earlier, however, it is often impossible to separate purely administrative or research expenditures from services or assistance expenditures due to the service nature of the activities in this program.

Criteria to evaluate the protective and community services program should include a measurement of the need for such services, the extent to which such need has been met, and the degree of success of individual services in preventing dependency or alleviating individual conditions with a continuing emphasis upon a demonstration that such services are providing a significant return in human or economic terms. Such a measurement may involve: (1) the estimated number of persons who would become part of the support for dependent persons programs if such services were not provided, or of those receiving support at the time of the provision of services who are no longer receiving direct support because of the results of these services, (2) the ratio of administrative cost to total activity expenditure, (3) an average cost per unit of service (e.g., per license, adoption, child/hour of day care), (4) the incidence of needs being met by the protective and community services relative to the population as a whole, and (5) the number of persons whose problem has been specifically solved (e.g., blindness prevented) and of those whose needs are being met by such services within a framework of progress, but for whom a complete solution cannot be expected. Few if any of these criteria, however, are currently developed to the point where they are useful for evaluation.

DEPARTMENT OF SOCIAL WELFARE

ITEM 168 of the Budget Bill

Budget page 581

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

Amount requested from the General Fund	\$5,761,356
Federal funds	3,451,069
Total	\$9,212,425
Estimated to be expended in 1964-65 fiscal year	8,671,416
Increase (6.2 percent)	\$541,009
Increase to improve level of service	\$126,193
TOTAL RECOMMENDED REDUCTION	\$171,165

Summary of Recommended Reductions

From amount requested to maintain existing level of service:

Direct Operations

Disability Review

Disabled Services Bureau:

	Amount	Budget Page	Line
2 Medical social work consultant I	\$16,392	583	14
2 Intermediate stenographer	9,348	583	15
0.7 Temporary help—medical consultation	11,348	583	17

Department of Social Welfare—Continued

Summary of Recommended Reductions—Continued

Adoptions	Amount	Budget	
		Page	Line
Area Offices:			
1 Adoptions caseworker supervisor-----	\$9,543	582	69
Adult Services			
Area offices:			
1 Social service administrator I-----	12,246	582	69
1 Social service consultant III-----	10,596	582	69
Management Support			
Central Services			
Office Services Bureau:			
1 Senior clerk-----	4,896	583	20
3 Intermediate stenographer-----	13,680	583	21
Medical Care			
Medical Care Division:			
1 Medical social work consultant II-----	9,480	582	69
Standardization and Direction of Services			
Planning and Methods Division:			
1 Social service consultant III-----	9,976	582	69
From amount requested for new or improved services			
Medical Care			
Nursing Home Projects:			
1 Consultant in hospital administration-----	9,369	583	32
1 Nursing consultant-----	8,502	583	33
Hospital Audits			
Special Audits Bureau:			
2 General auditor II-----	16,293	583	35
1 Intermediate stenographer-----	4,908	583	36
Standardization and Direction of Services			
Day Care Services			
Area Offices:			
3 Social service consultant II-----	24,588	583	40

ANALYSIS AND RECOMMENDATIONS

Disability Review

3 Medical social work consultant I (budget page 583, line 14)-----	\$24,588
3 Intermediate stenographer (budget page 583, line 15)---	14,022
1 Temporary help—medical consultation (budget page 583, line 17)-----	16,212

These seven new positions are being requested to staff three new disability review teams in the ATD program, to provide for the growth of the ATD caseload in the existing program and as a result of the revised definition of disability and residence reduction effective January 1, 1965, and the number of transfers expected from the Department of Mental Hygiene.

We recommend approval of one medical social work consultant position, one intermediate stenographer position and 0.3 temporary help—medical consultant position and the deletion of the remaining two medical social work consultant positions, two intermediate stenographer positions and 0.7 temporary help—medical consultant position for a savings of \$37,088.

Department of Social Welfare—Continued

The average monthly assistance and medical care caseload estimates in the ATD program have been overstated in view of revised estimates of the number of persons expected to transfer from the Department of Mental Hygiene and in view of a reduction in the number of persons estimated to be added to the ATD caseload resulting from the exclusion of alcoholics from the revised definition of disability.

Using the same yardstick on which the Budget requests were based and a revised estimate of the number of ATD cases to be received for review in 1965-66, the addition of one medical review team should be adequate to complete the processing of the reviews resulting from the increased total ATD caseload expected in 1965-66.

Adoptions

1 Adoptions caseworker supervisor (budget page 582, line 69) \$9,543

This position is currently authorized for direct operations in one of the area offices and was authorized together with two adoptions caseworker positions in 1962-63.

We recommend the deletion of one adoptions caseworker supervisor position at a savings of \$9,543.

This position has been vacant since July 1, 1962.

One of the two adoptions caseworker positions which accompanied the supervisory position in the original authorization has been deleted by the department in this year's budget request. The other authorized caseworker position remains vacant.

While the supervisory position will not be established until workload justifies such action, there is no justification for continuing the authorization for this vacant position for another year in view of the fact that neither of the two positions which would create the need for the supervisor have been filled and one of these positions has been deleted from the authorization request for the budget year.

Adult Services

1 Social service administrator I (budget page 582, line 69) \$12,246

1 Social service consultant III (budget page 582, line 69) — 10,596

Both positions were authorized in 1963-64 for service in the area offices in the field of adult services.

We recommend the deletion of one social service administrator I position and one social service consultant III position for a total savings of \$22,842.

These positions have been continuously vacant since July 1, 1963. The department has cited recruitment problems as the reason for their continued vacant status. Their continued inclusion in the 1965-66 budget is not justified if they have not been filled before this time. In any case the need for this type of consultant position should be rejustified in terms of current program deficiencies, if such exist. Filling the positions would constitute an increase in the actual level of service rendered currently.

Department of Social Welfare—Continued

MANAGEMENT SUPPORT

Central Services

2 Senior clerk (budget page 583, line 20)----- \$9,792
 9 Intermediate stenographer (budget page 583, line 21)---- 41,040

An additional 11 positions for the central office are proposed as a result of workload increases and based upon certain existing workload standards.

We recommend approval of six intermediate stenographer positions and one senior clerk position and the deletion of the remaining three intermediate stenographer positions and one senior clerk position for a savings of \$18,576.

On the basis of actual production in 1963-64, the effect of the addition in that year of an automated collator, and the current estimates of production in 1964-65, it appears that the agency will not require the addition of clerks and stenographers in accordance with the established yardstick to accomplish the projected workload in the budget year. The addition of six stenographers instead of nine will only require the addition of one supervisor.

No justification in terms of backlog or overtime required to accomplish the current workload has been provided. The department apparently can accomplish current workload with less employees than called for by the yardstick and should be able to do so in the budget year, thus maintaining the actual level of service.

Reporting

1 Programmer II (budget page 583, line 28)----- \$8,910

Approved for one year only in 1964-65, this position is being requested on a permanent basis due to the fact that programing in certain areas (Defined Services and AFDC-U) has not been completed and that program form and reporting changes are now anticipated.

We recommend this position be continued for one additional year only.

It would appear that substantial progress on completing the new programing requirements will be made in the current fiscal year and that, in any event, such programing requirements should be completed by June 30, 1966.

MEDICAL CARE

Nursing Home Projects

1 Consultant in hospital administration (budget page 583,
 line 32) ----- \$9,369
 1 Nursing consultant (budget page 583, line 33)----- \$8,502

These positions are being requested in order to develop alternate methods of payment for nursing home care for patients in the MAA program and to supervise experiments in the application of these methods.

We recommend the deletion of 1 consultant in hospital administration and 1 nursing consultant for a savings of \$17,871.

Department of Social Welfare—Continued

We have received very little justification material in support of these two position requests. A copy of the Form 613, entitled "Position Justification," was received for each of the requested positions; however, as completed, they represent duties statements of what is proposed for each of these positions to do rather than why it is essential for the items to be done.

At present, the department is authorized 2 social service administrators, 1 medical program consultant, 1 consultant in hospital administration, 4 medical social work consultants, and 1 social service consultant in its central office; and 12 medical social work consultants and 3 medical program consultants in its area offices to supervise the administration of the medical care programs, not including regular fiscal personnel. This staff has the responsibility for supervision of all the medical care programs and it appears that alternate methods of payment of nursing home care costs under MAA could and should be developed by this staff, that of the Department of Finance, members of the legislative branch of state and county governments, the California Hospital and Nursing Home Associations, and the respective hospital and nursing home complements of personnel. The present system of cost reimbursements to county and contract hospitals and payment at a specific level to private nursing homes for nursing home care was developed with the cooperation and assistance of these groups and was instituted on October 1, 1963.

The development of alternate methods of payment for such care and the supervision of their application on an experimental basis would not, moreover, appear to be a continuous and ongoing responsibility involved in supervising the administration of medical care.

Hospital Audits

2 General auditor II (budget page 583, line 35)..... \$16,293

1 Intermediate stenographer (budget page 583, line 36)..... 4,908

The continuance of these positions on a permanent basis is requested in order to review and audit county hospital accounting systems and cost reports, to process applications for nursing home supplements, and to perform auditing functions in the fields of crippled children's services, the Visiting Nurse Association program, and the contract and district hospitals.

We recommend the deletion of two general auditor II positions and one intermediate stenographer position for a savings of \$21,201.

In the 1964-65 Budget, the department requested four general auditor II, one accounting technician II and one intermediate stenographer. The positions now being requested were authorized at that time for one year only and two general auditor positions and the accounting technician were approved on a permanent basis.

At that time, the necessity of providing extensive auditing services of these various programs was examined at length. The one-year limitations on this staff were made on the basis that an audit of all 77 county hospitals on a continuing basis following the institution of the uniform accounting and reimbursable cost systems was not necessary.

Department of Social Welfare—Continued

It should be possible to complete the necessary audits of county hospital cost reports in the current year. Frequent audits of these facilities should not be necessary. In any event, the Department of Finance is primarily responsible for the establishment of hospital rate payment schedules.

Revisions to the nursing home rate schedules are currently under consideration. In view of the cost and complexity of the supplementation procedure involved in the current schedule such provisions will probably not be included in new schedules, which should be put into effect in the near future. This will have the effect of making one full time auditing position available for increases in workload.

The other proposed audit activities are relatively minor considerations. The audit of crippled childrens services has heretofore been accomplished by a maximum of one-half auditor position in the Department of Public Health. This, together with contract and district hospital rate verification will be possible as the workload involved in the establishment of county rates declines.

There is a serious question of the value of auditing in the visiting nurse program in view of the fact that it is proposed in the total amount of \$50,000. Very little workload would be justified for a program of this size.

Medical Care Division

1 Medical social work consultant II (budget page 582, line 69) ----- \$9,480

Included in the 1963-64 budget, this position was authorized for assignment in the medical care division of the central office.

We recommend the deletion of one medical social work consultant II position for a savings of \$9,480.

This position has remained vacant since July 1, 1963. The medical care division has functioned without any case being made as to specific deficiencies or impairment over this period of time without this position, and it should be deleted. Its approval would mean an increase in the current actual level of service.

STANDARDIZATION AND DIRECTION OF SERVICES

Day Care Services

3 Social service consultant II (budget page 583, line 40) --- \$24,588

In order to develop the new child welfare day care program established by federal legislation and to interpret its requirements and goals to counties, communities, and organizations, these three positions—wholly federally financed—are being requested to serve in each of the three (Los Angeles, San Francisco and Sacramento) areas.

We recommend the deletion of 3 social service consultant II positions for a savings of \$24,588.

The day care program, as it relates to the social welfare program, was established by the 1962 amendments to the Social Security Act, and funds were first expended for this program in California in fiscal year 1963-64. It is designed to provide day care for children of AFDC and low income non-AFDC families whose parents are in educational, voca-

Department of Social Welfare—Continued

tional, or preemployment training; retarded children; and children of seasonal agricultural families. Such day care is provided through child day care centers, licensed day nurseries, or family day care homes and either is purchased from such institutions or homes or is provided directly by the county welfare departments through the operation of their own child day care centers.

The duties statement describing each of the proposed three positions speaks in terms of interpretation, assistance, consultation, evaluation, and report preparation and submission as the general functions of these positions. It cites the interpretation to county welfare departments and communities of the new child welfare day care program "so that they may recognize the need for the development of day care services . . ." for children in the types of situations described above.

Each area office currently possesses a family and children section staffed with personnel concerned with welfare programs and services for families and children. One position in each such section is specifically charged with the responsibility of providing consultation to local agencies on day care services. The existing personnel should be considered as adequate to complete the activities described, and additional positions to provide interpretation and consultation on the subject of day care should not be required. Moreover, trained social workers in county welfare departments are fully capable of recognizing and in fact do recognize both the potentialities of the day care program and the needs in this area.

Planning and Methods

1 Social service consultant III (budget page 582, line 69) . . . \$9,976

This position was initially authorized in 1963-64 for assignment in the Planning and Methods Division.

We recommend the deletion of one social service consultant III for a savings of \$9,976.

This position has been vacant since July 1, 1963. Notwithstanding an indication of recruitment problems in connection with this position, the fact that it has been vacant for a period of 18 months is evidence that the department's planning and methods division has been able to function sufficiently well without this position and should be able to do so, in the absence of evidence to the contrary, in the future.

Department of Social Welfare

ASSISTANCE

FOR SUPPORT OF ASSISTANCE FROM THE
GENERAL FUND

Budget page 938

Amount requested from General Fund	\$435,574,500
Federal funds	450,417,000
County funds	146,280,800
Total	\$1,032,272,300
Estimated to be expended in 1964-65 fiscal year	893,181,500
Increase (15.7 percent)	\$139,090,800
Increase to improve level of service	\$11,357,500

TOTAL RECOMMENDED REDUCTION . . . \$18,433,624

Department of Social Welfare—Continued

Summary of Recommended Reductions

From amount requested to maintain existing level of service		Budget	
	Amount	Page	Line
Aid to the Needy Disabled			
Total cash payments to recipients-----	\$3,197,717	941	20
Total medical vendor payments-----	597,162	941	25
Old Age Security			
Total cash payments to recipients-----	1,886,660	942	59
Total medical vendor payments-----	254,585	942	63
Medical Assistance for the Aged			
Total medical vendor payments-----	1,140,000	943	36
From amount requested for new or improved services			
Aid to Families with Dependent Children			
Total payments to recipients—family groups-----	\$6,473,500	942	8
Medical vendor payments, total expenditures-----	4,884,000	942	17

Aid to the Disabled

<i>Total cash payments to recipients (budget page 941, line 20) -----</i>	<i>\$112,147,000</i>
<i>Total medical vendor payments (budget page 941, line 25) -----</i>	<i>20,945,200</i>

These amounts are being requested on the basis of an estimated average monthly assistance caseload of 91,430 and an estimated average monthly medical care caseload of 91,720 in fiscal year 1965-66.

We recommend a reduction of the average monthly assistance and medical care caseload estimates which reduces the total cash payments to recipients by \$3,197,717 and total medical vendor payments by \$597,162 for a total General Fund savings of \$2,057,462.

Two factors affecting caseload estimates result in a revision of the estimates proposed in the budget for Aid to the Disabled in 1965-66. These include the number of transfers expected from the Department of Mental Hygiene and the number of added cases expected from the revised definition of disability effective January 1, 1965.

With respect to the number of transfers expected from the Department of Mental Hygiene, an estimate based upon the revised number of total actual mental hygiene case releases in June 1964 provide lower estimates for the number going to the Aid to the Needy Disabled program than proposed by the Department of Social Welfare in its computation of the estimated average monthly assistance and medical care caseloads in this program.

In estimating the number of persons to be added to the ATD assistance and medical care caseloads, the department has reduced those estimates following its decision that persons who are unemployable because of alcoholism are not to be eligible under the revised definition of disability effective January 1, 1965.

Original estimates of increased caseload to result from the changed definition of disability included the transfer of 70 percent of the single person General Relief caseload to this program. Of these, it appears that approximately 25 percent of the males and 15 percent of the females are on General Relief primarily as a result of alcoholism. Under the department's current regulations, these persons would not be eligible. The department however, has reduced its projection of original

Department of Social Welfare—Continued

estimates, including alcoholics, by a lesser number of alcoholics than were originally included.

We are fully cognizant of the fact that some persons may have an alcoholic problem incidental to a major physical or mental impairment which otherwise qualifies them for assistance under ATD. However, if a reason for their unemployability is excessive use of alcohol, they will be ineligible despite the existence of some other disability, which, if it were their only reason for being unemployed, would render them eligible. Thus all of those cases which were included in estimated caseloads on the basis of alcoholism being an eligibility factor are rendered ineligible by the regulations which provide that alcoholism as a cause of unemployment makes an applicant ineligible for ATD. While our revised estimate makes no reduction in estimated caseloads for those persons now on the rolls who have some disability and are alcoholics, the same regulations will apply to them, and it is incumbent upon the department to review all ATD cases and remove those where alcoholism is a cause of unemployment.

On the basis of a reduced number of transfers from mental hygiene and a reduced number of new ATD cases resulting from the exclusion of alcoholics, we estimate that the average monthly assistance and medical care caseloads should be approximately 88,823 and 89,105 respectively in 1965-66.

Old Age Security

<i>Total cash payments to recipients (budget page 942, line 59)</i>	<i>\$335,055,100</i>
<i>Total medical vendor payments (budget page 942, line 63)</i>	<i>45,212,100</i>

These amounts are being requested on the basis of an estimated monthly average caseload of 276,155 at an average monthly assistance payment of \$101.11 and an estimated average monthly medical care payment of \$13.63.

We recommend a reduction of the average monthly assistance and medical care caseload estimates by 0.6 percent, reducing total cash payments to recipients by \$1,886,660 and total medical vendor payments by \$254,585 for a total General Fund savings of \$992,066.

Latest population figures available from the Department of Finance (1964) show that actual and estimated total population in 1964, 1965 and 1966 are less than the projections published in 1963. In the absence of an indication of an increase in the ratio of aged population to total population, accompanying this readjustment in total population should be an estimated corollary reduction below the figures published in 1963 in the number of persons aged 65 and over. The caseload figures contained in the budget appear to have been based on the 1963 projections and are therefore overestimated.

The degree of participation in and level of payments of the federal Social Security program with respect to both recipients and nonrecipients of Old Age Security consistently have been increasing, which tends to reduce the caseload and costs of the latter program.

Department of Social Welfare—Continued

From 1955-56, Old Age Security average monthly caseload figures showed a positive decline through 1960-61. In 1961-62 the curve started upward through to the present time, chiefly as a result of substantive eligibility and program liberalizations in the 1961 and 1963 sessions of the Legislature. The rate of increase has, however, slowed down as evidenced by an actual decline in recipient rates relative to total aged population.

In addition, the overestimation is accentuated to some degree with respect to the number of cases which may be expected to be transferred from the Department of Mental Hygiene to the OAS program by June 1966. The latest Department of Mental Hygiene total actual release figures for June 1964 are larger than originally estimated and, consequently the percentage of total mental hygiene releases going to the OAS caseload is smaller than that originally estimated in both 1964-65 and 1965-66. As a result, estimates of such transfers can be reduced, thereby reducing the overall caseload levels proposed in the budget.

Through the application to the latest California population estimates of the same degree of recipient rate decline as shown by the department in its original caseload premises, and including the revised estimated number of mental hygiene transfers, we estimate that the average monthly caseload in 1965-66 will reach approximately 274,600, a reduction of 0.6 percent from the current estimates.

This reduction is further supported by the fact that in seven of the last nine years, as the following table indicates, OAS caseload has been overestimated when proposed in the budget by an amount ranging from 3.7 percent to 0.3 percent.

TABLE I
Average Old Age Security Caseload Per Month

<i>Fiscal year</i>	<i>Proposed</i>	<i>Estimated mid-year</i>	<i>Actual</i>	<i>Percent change, actual from proposed</i>
1955-56	272,500	271,450	267,121	—2.0%
1956-57	273,500	265,975	264,191	—3.4
1957-58	266,300	265,633	264,061	—0.8
1958-59	265,200	265,420	263,075	—0.8
1959-60	265,500	257,830	255,803	—3.7
1960-61	253,200	253,240	252,453	—0.3
1961-62	250,315	253,650	252,543	+0.9
1962-63	268,010	259,000	259,715	—3.1
1963-64	264,200	266,460	266,134	+0.7
1964-65	275,330	270,175	—	—
1965-66	276,155	—	—	—

The two years in which actual caseload exceeded the proposed figures followed major eligibility and program changes in OAS in 1961 and 1963. Current year estimates are 1.9 percent below the caseload level proposed in the 1964-65 budget.

Given the increasing level in OASDI payments and participation, the lower aged population estimates, the reduced number of mental hygiene transfers and the pattern of overestimation in seven of the last nine years, a reduction of 0.6 percent in the average monthly caseload estimates for OAS from 276,155 to 274,600 in 1965-66 is not unwarranted at this time.

Department of Social Welfare—Continued

Medical Assistance for the Aged

Total medical vendor payments (budget page 943, line 36) ----- \$142,097,100

This amount is requested to provide inpatient care to an average of approximately 31,000 cases per month at an average monthly payment of \$380 per case and outpatient care to an average of approximately 2,275 cases per month at an average monthly payment of \$27.

We recommend a reduction of the average monthly inpatient caseload estimate by 0.8 percent, reducing total medical vendor payments by \$1,140,000 for a General Fund savings of \$267,900.

Application of the same revised aged population figures described in the Old Age Security program section, using recipient rate increase figures derived from the proposed departmental estimates, indicates that total average monthly inpatient caseload estimates should be reduced by 0.8 percent to an average of approximately 30,750 inpatient cases per month in 1965-66.

Aid to Families With Dependent Children

Total payments to recipients—family groups (budget page 942, line 8) ----- \$307,351,900

An expenditure of this amount is proposed to provide an average monthly assistance payment of \$43.56 to an average of approximately 587,995 persons in family groups per month. It includes a proposed increase of \$6,473,500 in the housing allowance for 23 counties for the full year and the remaining counties for the last quarter of the 1965-66 fiscal year.

We recommend the deletion of the proposed \$6,473,500 increase in the housing allowance in the Aid to Families with Dependent Children program for a total General Fund savings of \$4,369,600.

It is not clear whether this proposal for an increased level of service is based on the need to meet costs of an increase in the general level of rents as those may affect welfare recipients, or whether it is based on a desire to improve the standard of housing occupied by welfare recipients.

If it is the former, this increase is not justified since the budget also provides for a cost of living grant increase amounting to 1.5 percent. The cost of housing is included in the base, and is a substantial factor, of any index of cost of living increases. On this basis the budget is proposing a double cost of living grant increase.

If the basis of the proposal is to upgrade the standard of housing occupied by welfare recipients, there is a serious question whether increasing the grant to provide a larger rent or housing allowance will, in fact, have that effect. It seems unlikely that there is an adequate supply of acceptable housing to which welfare recipients could move, at rents which welfare recipients can pay even with the increased allowance. The alternative would seem to be that if recipients pay more for the housing they now occupy, it will somehow improve in quality. Unless the department has authority to dictate where welfare recipi-

Department of Social Welfare—Continued

ents will live, or to refuse to pay rent for substandard housing, it is difficult to see how increasing expenditures for housing will improve those conditions. Even with such authority, the availability of adequate housing at reasonable prices would limit the amount of benefit to be derived to a small fraction of those affected by the problem. It would appear that some other solution than a general grant increase is needed in this situation. The proposed expenditure to provide an increased housing allowance is to be entirely supported by state and county funds.

Medical vendor payments, total expenditures (budget
page 942, line 17)----- \$27,478,600

This amount is proposed to support an average monthly payment of \$3.79 to an average of 589,905 cases per month in 1965-66. It includes a total of \$4,884,000 to provide four types of new services in the Aid to Families with Dependent Children program, at the respective estimated costs indicated; visiting nurse services to children in the amount of \$50,000; eye refractions and glasses for children at a cost of \$1,500,000; maternity care to recipient mothers who plan to relinquish the child for adoption with a proposed cost of \$811,000; and essential care for adults in training and work conditioning programs in the amount of \$2,523,000.

We recommend the deletion of the proposed new medical services in the Aid to Families with Dependent Children program for a total General Fund savings of \$4,884,000.

In the justification narrative text accompanying this request, it is stated that the new medical services described above "... will be implemented by regulations effective July 1, 1965, and ... are expected to increase medical vendor payments to the statutory maximum."

In the current fiscal year, a situation developed in the medical care sections of the adult programs which demonstrates the potential consequences of approving the increase in medical care services described above. Regulations were adopted in the adult programs which were intended to bring total average medical care payments up to the statutory maximum payments. It became apparent during this fiscal year that expenditures would exceed the statutory maximums and as a result, the department has been required to revise these regulations, assess priorities, and thereby reduce its average medical care expenditures to the limit established by law.

Such a development resulted, in part, from the fact that increases in continuing regular medical care costs were not sufficiently taken into account in the establishment of the medical care provisions in the regulations of the adult programs. Increasing costs of medical care make it inadvisable to repeat this experience in the AFDC program.

We have not, in addition, received any evidence suggesting that a major portion of the needs which are to be covered by the new services are not, in fact, provided by other means, nor has it been demonstrated that recipients of AFDC assistance have undergone marked deprivation in the absence of such services. A number of low-income families who do not become welfare recipients are themselves unable to afford cer-

Department of Social Welfare—Continued

tain of the services which are being proposed for AFDC recipients. Such non-AFDC families rely upon county hospital and public health programs in order to receive such services when they are needed. Recipients of AFDC should rely upon the same established sources of assistance instead of being placed in what is essentially a more favored position that may create a situation wherein the AFDC program becomes increasingly attractive.

Closed End Appropriations

We recommend that a system of appropriations be adopted for the conduct of the activities of the Department of Social Welfare wherein a specific sum is appropriated for one fiscal year. We further recommend that interprogram transfers of funds be authorized to enable requirements in one program to be augmented by savings in another, that deficiency appropriations be authorized under justifiable extenuating circumstances, that legislative increases in welfare costs be amended into the Budget Bill whenever possible.

As the 1965-66 Governor's Budget has been presented and under the present system of an open-end method of continuing appropriations for assistance and medical vendor payments, the Legislature may exercise direct fiscal review and control over only approximately 3.3 percent of the total estimated General Fund expenditures for social welfare. As a result, social welfare expenditures currently may exceed the proposed subvention estimates by an amount limited only by the solvency of the treasury of the state.

In the 1964 Second Extraordinary Session of the Legislature, a partial control of the current fiscal year expenditures was exercised by specifying that expenditures in 1964-65 for the six categorical aid programs might not exceed, in the aggregate, the specified sum of \$351,111,800 with certain exceptions which are described below. The chief result of such action was to proscribe administrative changes in rules or regulations which would have had the effect of increasing total costs. However, no limitation was placed at that time upon increased expenditures resulting from changes in either caseloads or payments or both, or from the effect of the liberalizing amendments enacted in the 1963 session. Current fiscal year expenditures are now estimated to be \$16 million over the enacted budget estimates.

This increased reestimate results, in part, from the automatic cost of living provisions of the law which required larger increases than had been budgeted for, and, in part, from new caseload and grant estimates based on later factual data than had been available at the time 1964-65 budget estimates were made. The largest increase in caseload reestimation occurs in the single parent portion of the AFDC program. Since the inclusion of the unemployed parent feature in this program by AB 59 in 1963, the basic single parent program has grown at an unprecedented rate. No satisfactory explanation for this growth is available. The increased cost of medical care which has resulted in regulatory limitations being placed into effect in January 1965 is another

Department of Social Welfare—Continued

factor resulting in increasing 1964-65 reestimates over the original budget estimates.

If fiscal responsibility and legislative control of expenditures are to be realized in the social welfare field, a system of appropriations should be instituted in which, as in most other areas of state government, an appropriation is made of a specified dollar amount for a specified fiscal year. Such a closed-end system of appropriations would be accompanied by the following advantages to the Legislature, the Department of Social Welfare and the state as a whole.

(1) Adequate cost control of social welfare expenditures then may be exercised by the Legislature. The current reliance upon statutory provisions regarding eligibility and maximum grants has not provided effective control over actual levels of expenditure.

(2) The need for specific legislative controls over the direct administration of social welfare programs would be minimized.

(3) A system of priorities would result from such a system of appropriations wherein the most pressing welfare needs of the state would be identified and met in the event that the availability of revenue requires such an ordering of choices and requirements.

(4) Estimating techniques and results would of necessity achieve a greater degree of precision.

(5) Annual review of social welfare requirements would be accompanied by adequate justification material, to permit the Legislature to consider these requirements in the light of the availability of revenue and overall State needs and to preclude a presentation to the Legislature of inflexible grant and caseload levels.

At the time California's welfare programs were established, this state operated with a biennial budget. The institution of an annual budget system removes the earlier justification for a continuing system of open-end appropriations. The Legislature now convenes early enough each year to consider any significant unforeseen changes in social welfare budget requirements. The Department of Social Welfare would be able to effect interprogram transfers of funds to balance requirements and savings in the respective programs. They would further retain the right to request a deficiency appropriation to meet program deficits and, in the event such deficits are justifiable, they could expect approval of such a request. However, it would be expected that the department would direct close attention to the course of program developments in a fiscal year so that priorities might be instituted in order to stay within the stated appropriation and still provide a basic level of assistance to all statutorily qualified applicants for such assistance. Among the most significant benefits of a system of closed-end appropriations and the operation of welfare programs and activities under such a system would be the fact that the revenue requirements of current and proposed legislation would emerge in clearer perspective with respect to the appropriations required to support them.

A study conducted by this office in 1962 revealed that California was

Department of Social Welfare—Continued

one of only three states out of 43 reporting which had not adopted a system requiring either annual or biennial justification and legislative appropriation for welfare expenditures.

We recommend that the specific support and subvention request contained in the 1965-66 proposed Governor's Budget, less the recommended reductions described in this analysis, be included in the Budget Act as a specific appropriation for the conduct of programs and activities of the Department of Social Welfare in the fiscal year 1965-66.

POLICY OPTIONS

Policy options in the field of social welfare are organized here in two parts: those which deal with changes in the present structure of social welfare programs in California in order to lessen the substantial rate of growth in welfare costs which has occurred in the last decade and which, without these or similar changes, show every indication of continuing in the decade to come; and those which may provide means of introducing economies into specific phases of program operations. The growth in the cost to the General Fund since fiscal year 1954-55 is summarized in the following table:

Total General Fund Expenditures for Social Welfare

Fiscal Year	Amount	Percentage increase from preceding year	Percentage increase from 1954-55
1954-55 -----	\$143,609,885		
1955-56 -----	148,306,513	3.3	3.3
1956-57 -----	149,914,483	1.1	4.4
1957-58 -----	176,115,868	17.5	22.6
1958-59 -----	192,761,902	9.5	34.2
1959-60 -----	205,092,579	6.4	42.8
1960-61 -----	220,618,239	7.6	53.6
1961-62 -----	248,823,424	12.8	73.3
1962-63 -----	280,810,956	12.9	95.5
1963-64 -----	318,307,906	13.3	121.6
1964-65 (est.) -----	380,608,425	19.6	165.0
1965-66 (proposed) -----	450,609,106	18.4	213.8

In each instance the policy options are by no means exhaustive of the alternatives or possible suggestions in their respective areas, but are simply indicative of possible revisions which may be considered in any general attempt to provide public welfare services in an efficient and productive manner at an appropriate cost.

The following policy options represent certain alternative methods which may be considered as possible means of slowing the growth in social welfare costs.

1. *The institution of recovery provisions with respect to the old age security program.* Recovery provisions, either through an unsecured claim, automatic lien, or lien agreement, operate to insure that at least some portion of the costs of providing old age assistance to a recipient are recovered from the estate of that recipient after his death. Recovery provisions have been supported by the general observation that the public should not be compelled both to support an aged recipient and to be denied any claim upon his estate which may instead devolve upon relatives who did not support such an individual during his time of

Department of Social Welfare—Continued

need. In a study conducted by this office in 1962, it was learned that only 18 states, including California, did not include some form of recovery provisions in their old age assistance codes. It was estimated at that time that savings of approximately \$17,884,300 during the first year and \$10,534,600 in subsequent years on a going-concern basis would result from the institution of a secured lien or claim provision as a result of the initial caseload decline, the deterrent to caseload increases, and recoveries from estates.

2. *Enactment of stronger relatives' responsibility provisions.* The only current responsible relatives provisions in the Welfare and Institutions Code are in the Old Age Security program. These provide that an adult child with a family of four earning \$1,000 a month in net income or less need not contribute to the support of his parent. Net income excludes any income of his or her spouse and is regarded as 75 percent of gross income. It was estimated in 1962 that reinstatement of the responsible relatives' provisions that existed prior to the 1961 amendments would result in approximate annual savings in Old Age Security of \$11,254,900, and additional savings would result from the inclusion of responsible relatives provisions in other assistance programs where applicable.

3. *Simplification of the cost-sharing formulas in the assistance programs.* At the present time, 13 different sharing formulas involving two or more of the three (federal, state, and county) governmental entities supporting social welfare programs are used in the determination of their respective shares. These shares, following deduction of the federal contributions, range from an approximate $\frac{2}{3}$ - $\frac{1}{3}$ state-county ratio in the aid to families with dependent children program to a $\frac{9}{10}$ - $\frac{1}{10}$ ratio in the old age security and aid to the needy disabled programs, with different formulas employed in the medical care areas of the respective programs. A considerable amount of administrative complexity and cumbersome calculation and reporting requirements result. When all program expenditures are considered, there is a single sharing formula that results from the actual operation of these programs insofar as the state-county relationship relative to total expenditures is concerned. Application of such a ratio, which may be determined in terms of the average historical relationship to all of the assistance programs, may be accomplished at no increase in state or overall county costs and is likely to return an undetermined amount in savings through administrative simplification.

4. *A cessation of duplicative cost-of-living increases.* At the present time, increases in federal grants which result from cost-of-living increase determinations by the Congress are automatically passed on to assistance recipients. At the same time, such recipients receive regular cost-of-living increases in the grants at state and county expense. There is little justification for continuing to allow two sources of cost-of-living increases, both of which may become available during the same time period.

5. *The establishment of maximum average grant provisions in each of the assistance programs, with such maximum average grant levels not subject to alteration during the course of the fiscal year.* The Welfare

Department of Social Welfare—Continued

and Institutions Code now provides for maximum grants in all of the assistance programs except aid to the needy disabled, which provides for a maximum average grant. It may be beneficial to incorporate maximum average grants in all of the assistance programs, together with a provision that the maximum average grant amounts may not be changed during the course of the fiscal year to reflect increased federal participation or cost-of-living increases, if full legislative review and control of social welfare expenditures is regarded as desirable. In this fashion, the Legislature may annually review the justification for providing an increase in the level of maximum average grants in the respective assistance programs and consider actual developments in its budget action with respect to the level of payments to assistance recipients. The institution of provisions for maximum average grants would have the added advantage of permitting extreme hardship cases to be taken care of without the limitation of a maximum grant.

The following policy options represent possible means of introducing economies into specific phases of program operations.

1. *Termination of the provision of special need allowances for pre-paid medical and hospital care insurance in the Old Age Security and Aid to the Blind programs.* A special need allowance not to exceed \$8 per month may be included as part of the grant provided in the Old Age Security and Aid to the Blind programs to contribute toward the cost of prepaid medical or hospital care insurance.

The costs of providing such a special need allowance for both programs in the 1965-66 fiscal year will amount to approximately \$3,072,700. Notwithstanding such an estimated level of expenditure, the department is currently unable to provide data showing the amount of benefits which have, in fact, been paid under these policies or the amount of savings which should be accruing to the Public Assistance Medical Care, Medical Assistance for the Aged, or county hospital programs as a result of these insurance expenditures.

The \$8 special need allowance specifically provides coverage not provided elsewhere only in the following two instances:

(a) The first \$2,000 of the first 30 days of inpatient care in a private hospital or medical facility;

(b) Costs incurred in the balance of any month in which hospitalization occurs after OAS has been paid and before the recipient becomes eligible for MAA, for he cannot receive OAS and MAA in the same month.

In addition, it should be noted that the benefits payable under policies purchased with the \$8 special need allowance for medical and hospital care plans should reduce the costs of PAMC, MAA, other special need allowances, and county hospital care programs. These programs necessarily would experience some increase in costs if the \$8 special need allowance program were eliminated.

If the \$8 special need allowance program were terminated, complete care would still be available for the first 30 days in a county or contract hospital under either PAMC, MAA, or the county care programs. In addition, even private hospitalization is covered to the extent that

Department of Social Welfare—Continued

other special need allowances currently are made for private hospital care; however, such hospitalization costs normally would substantially exceed the amount of these special need allowances, since the total grant plus income must not currently exceed \$174 for OAS recipients and \$177 for AB recipients per month. If it were felt to be desirable to extend private hospitalization coverage on a broader basis in the absence of the \$8 special need allowance for health insurance, PAMC and/or MAA could be expanded to include coverage for the first \$2,000 in a private facility during the first 30 days. In either event—the provision of public hospitalization as currently programmed or of private hospitalization on an expanded basis—additional federal funds would become available to the extent of growth in the MAA program.

The key question involves both the right of free choice of facility and the degree to which economies are realized by maintaining an expenditure of approximately \$3 million annually for prepaid health insurance in lieu of directly providing the medical care coverage afforded by such insurance.

It is difficult to assess or determine the value of such a program in the absence of definite data showing: (a) the cost-benefit ratio involved in the policies held by recipients of the \$8 special need allowance, and (b) the estimated increase in costs to the state and counties if the PAMC, MAA, other medical special need allowance, and county hospital care programs were expanded to cover the benefits now provided by private health insurance purchased with the \$8 special need allowances.

However, the simultaneous support of administrative and profit-margin costs of private insurance and public assistance medical care programs makes it likely that some savings could be effected through the termination of such insurance and the provision of medical care under the existing or expanded medical care programs. It is possible that full use has not been made of the private insurance coverage due to: (1) a lack of awareness on the part of both the recipient and the individual social workers of the existence or extent of such coverage, or (2) the unwillingness to undertake the necessary steps to secure payment from the insurer.

As an alternative to the retention or termination of the present program of providing an \$8 special-need allowance for prepaid health insurance in the Old Age Security and Aid to the Blind programs it may be possible, due to the volume of policies purchased in part with the allowance, to receive reimbursements from the insurance companies in a pattern similar to that now in effect with pharmaceutical manufacturers due to the volume of drugs purchased with funds from the public assistance medical care programs.

2. Institution of a simplified system for the preparation, writing and issuance of departmental regulations, circular letters, memorandums, and other items of instruction or correspondence. The observation of paper blizzard in the Department of Social Welfare is not original with this office; it has been cited by persons in a number of areas, including the department itself. Concern about the problem has existed

Department of Social Welfare—Continued

for a number of years, but little in the way of major departmentally initiated remedies has been noted. Since September 1964, the department has revised 51 sheets in its procedure manual. In the past 18 months, the department has issued 188 circular letters, 259 pages of information related to department bulletins, 57 procedure memorandums and has made 1,655 revisions in nine program and activity manuals. Copies of the 22 bound procedure and program manuals and record handbooks extend approximately five feet in length. In addition to the supplies required for the distribution of such a volume of material, the time consumed in initial preparation, typing, clearance with relevant departments, duplicating, and transmissions of these documents is not inconsiderable.

Three observations may be made here. First, certain revisions are, of course, necessary particularly following the substantial changes involved in 1963 legislation. However, the number and length of many of these revisions has heretofore been unwarranted, and the content and character of a number of others has been nonessential or inconsequential. Secondly, although it does have a number of directly administered programs, the department is charged with supervision and not administration of the six assistance programs. The establishment of supervisory rules and regulations need not be accomplished in such length and detail or with such frequent revision. Finally, however, perhaps the most deleterious effect of such a production of paper is upon the individual social workers themselves, who must read, review, and complete a number of forms and documents which requires them to devote a considerable amount of time to this sort of activity rather than to that for which they have been expressly trained and in which they can be most productive—i.e., in social work and consultation with their clients, endeavoring to assess and hopefully alleviate or remove the causes of the latter's dependency.

As a policy option, a positive directive may be in order from the Legislature to the Department of Social Welfare requiring them to review their entire system with regard to paper production and indicating that, should positive results in the way of a reduction in the issuance of such documents not be forthcoming in the next fiscal year, added steps may be taken to insure such a reduction through the budget process.

Department of Highway Transportation Agency
HIGHWAY TRANSPORTATION AGENCY ADMINISTRATOR

ITEM 169 of the Budget Bill

Budget page 587

FOR SUPPORT OF THE HIGHWAY TRANSPORTATION
AGENCY ADMINISTRATOR FROM THE
MOTOR VEHICLE FUND

Amount requested	-----	\$75,701
Estimated to be expended in 1964-65 fiscal year	-----	73,824

Increase (2.5 percent)	-----	\$1,877
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TOTAL RECOMMENDED REDUCTION	-----	None
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