

Courts of Appeal, Districts 1 to 5—Continued

It is further noted that independent surveys of this court's library indicates that there are a number of books which could be disposed of as well as there being a need for other books not presently in the library. It is also noted that there is in the same building a large library in the Attorney General's offices and also a very substantial county law library on the block adjacent to this court. It would appear that some sharing arrangement of both library facilities and library staffing could be worked out between two state agencies and possibly even with the county facility without the need to duplicate library facilities and services. The agency needs to review this area of activity more thoroughly before committing such a large amount of money for equipment.

We have reviewed the remaining equipment requests of the various courts and such appear to be in line with the needs of these courts.

ITEM 25 of the Budget Bill

GOVERNOR'S OFFICE

Budget page 18

FOR SUPPORT OF THE GOVERNOR'S OFFICE FROM THE GENERAL FUND

Amount requested	\$1,495,911
Estimated to be expended in 1967-68 fiscal year	1,478,827
Increase (1.2 percent)	\$17,084

TOTAL RECOMMENDED REDUCTION None

GENERAL PROGRAM STATEMENT

The Governor is the Chief Executive of the State of California, and the Constitution grants him broad powers to conduct the following programs:

1. Plan, organize, direct and coordinate the activities of state agencies and to appoint various state officers and members of boards and commissions.
2. Prepare and present to the Legislature the state budget outlining anticipated programs and the means by which they will be financed.
3. Report to the Legislature on the condition of the state and make various legislative proposals.
4. Approve or disapprove legislation adopted by the Legislature.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an expenditure of \$1,495,911 for the 1968-69 fiscal year which is \$17,084 or 1.2 percent above that which is estimated to be expended during the current fiscal year.

No positions are shown as administratively established during the current fiscal year nor are there any new positions proposed. The current staff of the Governor's office is budgeted at 91.4 positions.

We recommend approval as budgeted.

**Governor
GOVERNOR'S RESIDENCE**

ITEM 26 of the Budget Bill

Budget page 18

**FOR SUPPORT OF THE GOVERNOR'S RESIDENCE
FROM THE GENERAL FUND**

Amount requested -----	\$17,400
Estimated to be expended in 1967-68 fiscal year -----	17,400

Increase ----- None

TOTAL RECOMMENDED REDUCTION ----- None

ANALYSIS AND RECOMMENDATIONS

This item finances the general operations of the Governor's residence, and expenditures are not subject to audit. The amount of \$17,400 requested is the same amount budgeted during the current fiscal year.

We recommend approval as budgeted.

**Governor
SPECIAL CONTINGENT EXPENSES**

ITEM 27 of the Budget Bill

Budget page 18

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

Amount requested -----	\$15,000
Estimated to be expended in 1967-68 fiscal year -----	15,000

Increase ----- None

TOTAL RECOMMENDED REDUCTION ----- None

ANALYSIS AND RECOMMENDATIONS

The budget proposes \$15,000 for special contingent expenses of the Governor. This amount is the same as was budgeted for the current fiscal year and is exempt from audit.

We recommend approval as budgeted.

Governor's Office
CABINET SECRETARIES

ITEMS 28 through 31 of the Budget Bill

Budget page 19

FOR SUPPORT OF THE SECRETARIES FOR AGRICULTURE
AND SERVICES, BUSINESS AND TRANSPORTATION, HUMAN
RELATIONS, AND RESOURCES, FROM THE GENERAL FUND
AND MOTOR VEHICLE FUND

Amount requested	\$479,550
Estimated to be expended in 1967-68 fiscal year	454,034
	<hr/>
Increase (5.6 percent)	\$25,516
TOTAL RECOMMENDED REDUCTION	None

GENERAL PROGRAM STATEMENT

The budget proposes the conversion of the existing four statutory agency administrators to secretaries within the Governor's office.

The proposal represents the reorganization plan of the Governor (Plan No. 1 of 1968) to be submitted to the Legislature at the current session for review and approval or study in accordance with the procedures established by Chapter 1540, the Statutes of 1967.

The secretaries are to be responsible for the general direction of those departments or agencies placed under their jurisdiction and will provide the Governor advice on policy formation and implementation in the functional areas of their responsibilities.

The assignments by secretary are shown below.

*Agriculture
and Services*

Departments:
 Agriculture
 General Services
 Professional and Vocational
 Standards
 Veterans Affairs
 Franchise Tax Board
 Commerce ¹
 Agencies:
 State Fire Marshal
 Public Employees'
 Retirement System
 State Teachers'
 Retirement System

*Business and
Transportation*

Departments:
 Motor Vehicles
 California Highway Patrol
 Public Works
 Housing and Community
 Development
 Banking
 Insurance
 Agencies:
 Division of Savings and
 Loan
 Division of Real Estate
 Division of Corporations

Human Relations

Departments:
 Corrections
 Youth Authority
 Employment
 Industrial Relations
 Rehabilitation
 Public Health
 Social Welfare
 Mental Hygiene
 Human Resources
 Development ²
 Agency:
 Office of Health Care Services

Resources

Departments:
 Conservation
 Fish and Game
 Harbors and Watercraft
 Parks and Recreation
 Water Resources
 Agencies:
 Air Resources Board
 State Water Resources Board
 Colorado River Board
 Division of State Lands
 Office of Atomic Energy
 Development and
 Radiation Protection

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¹ A new department, part of reorganization plan, consisting of (1) Economic Development Agency, (2) Consumer Counsel, (3) California Fairs and Expositions, (4) Museum of Science and Industry, (5) San Francisco Port Authority, (6) Office of Tourism and Visitor Services, and (7) World Trade Council.

² A new department consisting of the following state agencies: (1) Service Center Program, (2) Office of Economic Opportunity, (3) Job Training and Placement Council, and (4) Commission on Aging.

Cabinet Secretaries—Continued

ANALYSIS AND RECOMMENDATIONS

The budget proposes a total of \$384,010 from the General Fund and \$95,540 from the Motor Vehicle Fund for support of the four secretaries and staff. Support for each of the secretaries and staff is as follows:

<i>Secretary for Agriculture and Services (General Fund)</i>	\$93,305
<i>Secretary for Business and Transportation (Motor Vehicle Fund)</i>	95,540
<i>Secretary for Human Relations (General Fund)</i>	124,396
<i>Secretary for Resources (General Fund)</i>	166,309
	\$479,550

The combined appropriations of \$479,550 are \$25,516 above the combined estimated expenditures for the current year of the existing four agency administrators. The staffing of the four offices is proposed at the same level as currently exists with the exception of the reclassification of one clerical position in the office of the Secretary for Business and Transportation. The increase of \$25,516 is primarily related to merit salary and cost increases.

We believe the proposed appropriations for the four secretary offices are appropriate for that purpose and recommend approval.

The "Executive Organization General Statement" that was presented to the Commission on California State Government Organization and Economy by the Governor states the following: "Recognizing the Legislature's desire to stay within the four-agency concept and realizing the tremendously large and varied functions of the Executive Branch, we have concentrated on making the heads of Agencies extensions of Governor's authority and communicators of his perspective."

There is no reason to believe that the Legislature advocates the existence of only four agencies. At the time of the establishment of the four statutory agencies, Governor Brown also established four nonstatutory agencies by executive order when the Legislature failed to approve the other four agencies which he recommended. This did not, however, mean the Legislature approved the concept of four agencies. It reflected failure to agree on consolidation of the remaining departments.

Moreover, the dependence on only four secretaries may widen the span of control of each secretary to such a point that effective presentation of policy formulation and extension of the Governor's authority may not be possible. While some of the groupings of agencies fall into a logical pattern of similar or related functions such as the office of the Secretary for Resources, other groupings such as those placed under the Secretary for Agriculture and Services seem to be more of a miscellany of functions than any logical grouping which consolidates inter-related management or policy issues. However, since the proposed system of four secretaries has been submitted by the Governor for

Cabinet Secretaries—Continued

legislative review as required by law, this policy issue will be considered fully by various committees of the Legislature. We will be prepared to develop additional information and comments for such hearings.

Governor's Office
OFFICE OF CONSUMER COUNSEL

ITEM 32 of the Budget Bill

Budget page 25

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

Amount requested	\$32,723
Estimated to be expended in 1967-68 fiscal year	32,068
<hr/>	
Increase (2.0 percent)	\$655

TOTAL RECOMMENDED REDUCTION..... None

GENERAL PROGRAM STATEMENT

Chapter 467, Statutes of 1959, created the Office of Consumer Counsel and established it within the Governor's office. Its duties as outlined in the enabling legislation, are twofold:

1. To advise the Governor on all matters affecting the interests of the people as consumers.
2. To recommend to the Governor and to the Legislature any legislation deemed necessary to protect and promote the interests of the people as consumers.

The Consumer Counsel may, to accomplish these directives, make studies or reports to the people of the state. The counsel may represent the consumer's interest before governmental commissions, departments or agencies and contract with public and private agencies for studies and needed services.

The legislation also provides for advisory committees to assist the Consumer Counsel.

ANALYSIS AND RECOMMENDATIONS

The proposed appropriation for 1968-69 is \$32,723, an increase of \$655 or 2 percent over the current year. This increase results from a request for 0.1 temporary help to allow for vacation and sick leave for the authorized clerical position. The requested budget will maintain the same level of service provided during 1967-68.

The emphasis of the Consumer Counsel program changed during the past fiscal year. Consumer complaints or inquiries are now sent to the industry involved to provide an opportunity for remedial action. If none is taken, the complaint is then registered with the appropriate regulatory or enforcement agency. This is in contrast to the previous practice of not involving the industry with complaints received.

The Consumer Counsel is now considered to be more directly on the Governor's staff than had been the case previously. As such the office will not advocate specific legislation before the committees of the Legislature, but will provide research material to groups interested in pro-

Office of Consumer Counsel—Continued

posed legislation and, upon request, will provide a list of proposed legislation pertaining to consumer interests. The counsel office now serves as a clearinghouse for consumer literature rather than publishing its own.

During fiscal year 1968-69, the counsel plans to: (1) develop a pilot project in Contra Costa County encouraging volunteers to establish a local program of consumer education and encourage those in the poverty areas to participate, (2) urge the strengthening of local better business bureaus to cope with consumer complaints on the local level, and (3) continue to advise the Governor on matters affecting consumers.

We recommend approval as submitted.

**Governor's Office
OFFICE OF ECONOMIC OPPORTUNITY**

ITEMS 33 and 34 of the Budget Bill

Budget page 26

**FOR SUPPORT OF THE OFFICE OF ECONOMIC OPPORTUNITY
FROM THE GENERAL FUND**

Amount requested

Item 33 Technical Assistance Program and Migrant Program Administration	\$52,903
Item 34 College Work-Study Program	200,000

\$252,903

Estimated to be expended in 1967-68 fiscal year

178,907

Increase (41.3 percent)

\$73,996

TOTAL RECOMMENDED REDUCTION

None

Summary of Recommendations

We recommend that the Legislature and Administration attempt to induce the Director of the federal Office of Economic Opportunity to designate the state as the recipient and distributor of all antipoverty funds.

GENERAL PROGRAM STATEMENT

The State Office of Economic Opportunity was established administratively in 1964 within the Governor's Office for the purpose of providing technical assistance to newly created local antipoverty agencies and to advise the Governor in regard to his authority to veto proposed local antipoverty projects under the federal Economic Opportunity Act of 1964. The office is also responsible for the administration of the state Migrant Master Plan. Administratively the office has been placed in the Governor's office. However, the director has reported to the Administrator of the Health and Welfare Agency.

ANALYSIS AND RECOMMENDATIONS

The budget proposes an expenditure of \$252,903 from the General Fund of which \$52,903 is for support of the State Office of Economic Opportunity and \$200,000 is for support of the College Work-Study Program. This is a General Fund increase of \$73,996 over the estimated expenditure for the current fiscal year.

Office of Economic Opportunity—Continued

Item 33 proposes \$52,903 from the General Fund for support of the State Office of Economic Opportunity of which \$41,732 is proposed for support of the Technical Assistance Program and \$11,171 is proposed for the administration portion of the Migrant Master Plan. The federal portion of the program cost is \$561,718 of which \$375,588 is for the Technical Assistance Program and \$186,130 is for the Migrant Program.

In summary the program costs are as follows:

	<i>State General Fund</i>	<i>Federal funds</i>	<i>Total program costs</i>
Technical Assistance Program -----	\$41,732	\$375,588	\$417,320
Migrant Program (administrative cost only) -----	11,171	186,130	197,301
Totals -----	<u>\$52,903</u>	<u>\$561,718</u>	<u>\$614,621</u>

In addition to the above, Item 256, budget page 1100, proposes \$249,735 from the General Fund as the state's share of the program support of the Migrant Master Plan.

TECHNICAL ASSISTANCE PROGRAM

Provision for the establishment of the Technical Assistance Program is contained in the Economic Opportunity Act of 1964, as amended. Authorization for contracts with agencies for technical assistance programs is in Title I, Part B, Section 129, and Title II, Part A, Section 209 and Part C, Section 231 of the act.

The funding of the Technical Assistance Program is provided on the basis of a 90 percent-10 percent federal-state matching formula. The budget proposes a total program of \$417,320 for the 1968-69 fiscal year of which \$41,732 would be the state's share and \$375,588 would be the federal share.

Staffing of the Technical Assistance Program is largely specified within the terms of the federal grant. The federal Office of Economic Opportunity determines the staff on the basis of the State Office of Economic Opportunity's estimate of workload and services to be rendered to the federally assisted local programs within the state.

There is presently a staff of 15.5 authorized positions in the Technical Assistance Program which includes the director, deputy director, community action chief, six community action representatives, an administrative assistant and 5.5 clerical positions. All positions are exempt from civil service with the appointment of staff being delegated by the Governor to the Director of the State Office of Economic Opportunity.

The community action representatives are assigned on an area basis with each representative responsible for providing assistance to all programs within his area, which may be composed of several counties. The representatives are considered to be both generalists and specialists

Office of Economic Opportunity—Continued

because they service all programs regardless of emphasis within their geographical area and also must be knowledgeable in a specific area of the antipoverty program.

During the current year, two additional community action representatives were administratively established and approved for funding by the federal Office of Economic Opportunity. The two positions are proposed for continuation in the 1968-69 fiscal year. A management analyst position is requested to provide local Community Action Programs with technical assistance in management and accounting procedures. The position will be used to analyze and evaluate the management practices employed in the administration of the community action agency's program and the accounting procedures utilized to record the receipt and expenditure of federal funds. This analysis and review will be in addition to the program (education, job training, etc.) evaluation conducted by the community action representative assigned to the local program. In conjunction with these positions, 2.5 additional clerical positions are proposed to handle the increased workload generated by the additional technical positions.

We recommend approval as submitted.

Functions of the Technical Assistance Program

The present federal legislation gives the Technical Assistance Program three duties: (1) to advise the Governor of his responsibilities under the act, (2) to provide technical assistance to local community action programs applying for antipoverty grants, and (3) to coordinate state activities related to the community action programs.

1. Program's Advisory Role to the Governor

All projects authorized by Title I, Part B, and Title II of the Economic Opportunity Act must be approved by the Governor before they are funded by the federal government. The Governor has vetoed 12 projects as of this report. The Governor's veto of a program can be overruled by the federal Director of the Office of Economic Opportunity, but this counter veto has never been used in California. The Technical Assistance Program assumes the role of the Governor's staff by supplying him with a review and evaluation of each Community Action Program proposal. This evaluation is to enable the Governor to make an informed decision as to the effectiveness of the program and its relationship to state goals. This is the second review and evaluation process because the proposals have already undergone a similar process in the federal Office of Economic Opportunity prior to their approval by the federal office.

2. Technical Assistance to Local Community Action Programs

At the time of the preparation of this analysis, there were 45 Community Action Agencies and 550 Community Action Programs operating in the state. The Community Action Agency is the recipient of the federal grant and may sponsor one or more Community Action Programs. Some Community Action Programs, however, have received

Office of Economic Opportunity—Continued

grants directly from the federal government and are not under the guidance of a Community Action Agency. Previous to this year, the Technical Assistance Program furnished assistance to a Community Action Agency or program only if requested to do so. However, due to administrative and program weakness or inefficiency, the 45 Community Action Agencies are receiving mandatory assistance from the Technical Assistance Program.

In an effort to increase the state's role in the evaluation of Community Action Programs which are up for refunding, the Technical Assistance Program has initiated an evaluation of selected programs nearing the end of their grant periods. On the basis of its findings, the Technical Assistance Program submits a recommendation on the continuance of the grant to the Director of the federal Office of Economic Opportunity. The federal office has the prime responsibility for the evaluation of the program, but concern over the objectives of certain programs from the state's point of view has prompted this additional evaluation by the state.

3. Coordination of State Activities with Community Action Programs

At this time, we know of no organized effort by the Technical Assistance Program or the state Office of Economic Opportunity to coordinate Community Action Programs with many of the state programs. Some effort is made to coordinate local Community Action Programs at their inception with existing state agencies. However, this is for the purpose of obtaining program planning assistance and not expressly for coordination with the programs of these agencies. This coordination is further hampered by the weak lines of communication and cooperation between existing agencies and the Technical Assistance Program.

We recommend that the Legislature and Administration use all available means to encourage the Director of the federal Office of Economic Opportunity to designate the state as the recipient and distributor of all antipoverty funds.

The Economic Opportunity Act amendments of 1967 state that "A community action agency shall be a State or political subdivision of a State (having elected or duly appointed governing officials), or a combination of such political subdivisions, or a public or private nonprofit agency or organization which has been designated by a State, or such a political subdivision or combination of such subdivisions." This provision enables the state and the Legislature to assume a more positive role in the review of federal moneys and projects.

By designating the state as the recipient and distributor of all antipoverty funds, the basic purpose of the antipoverty program can be better served. Section 201(a) of the 1967 amendments to the Economic Opportunity Act states the program's "... basic purpose is to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas, to attain the skills, knowledge, and motivations and secure the opportunities needed for them to become fully self-sufficient."

Office of Economic Opportunity—Continued
Migrant Master Plan

The proposed appropriation for the Office of Economic Opportunity includes \$11,171 from the General Fund as the state's share of administrative expenses of the Migrant Master Plan. Item 256, budget page 1100, proposes an appropriation of \$249,735 from the General Fund as the state's share of the operation of the migrant worker camps. The following table shows the source of support for the total Migrant Master Plan.

	<i>General Fund</i>	<i>Federal funds</i>	<i>Total</i>
Administrative costs -----	\$11,171	\$186,130	\$197,301
Camp operation -----	249,735	4,547,332	4,797,067
Total costs -----	\$260,906	\$4,733,462	\$4,994,368

During the current fiscal year 6.5 positions were administratively established in the administrative portion of the program in order to provide better control in regard to the usage of the camps and to provide personnel to conduct an evaluation program. The added positions are fully reimbursed by federal funds. Six of the positions are to be continued in the 1968-69 fiscal year and will continue to be fully reimbursed.

The State Office of Economic Opportunity is currently negotiating a new contract with the Federal Office of Economic Opportunity for the extension of the Migrant Master Plan. The budget proposes to continue the General Fund share of the administrative costs at \$11,171. However, it is believed by the state office that the new contract will provide for 100 percent federal support. Should this occur, the proposed appropriation will revert to the General Fund.

Thus, the \$249,735 requested for the operations portion of the Migrant Master Plan is proposed as "maintenance of effort" money rather than matching funds for a federal grant on the basis that the 90-10 ratio is to be discontinued and the program will be 100 percent federally funded. The proposed amount of General Fund money will be used to maintain the camps while they are closed during the off season while federal money will be used during the harvest season. In order to continue to receive federal support for this program, the state must provide the same level of support as is provided in the current year, i.e., \$249,735.

The California Migrant Master Plan was authorized by Chapter 1576, Statutes of 1965, and is designed to provide the following services:

1. "Temporary," seasonal, flash peak, family-style housing with companion water and sewage services. The adopted unit is a plywood type which includes a floor, toilet and shower, washbasin, water heater, sink, stove and room dividers. This unit can be built for \$1,445 plus \$400 to \$600 per unit for site development, preparation and utilities.
2. Compensatory and remedial education for children and adults. This item is not included in the proposed budget. The migrant section has applied for money to continue this program but no confirmation has

Office of Economic Opportunity—Continued

yet been received. If the funds are received, the program will be 100 percent federally financed. The results of the program's request should be known by June 1, 1968.

3. Supervised child day care and food for children aged two to five is provided six days a week, 10 hours a day to allow parents to work in the fields. There is no provision for care of children under two years of age which has created problems at some camps.

4. Full sanitary facilities and drinking water are provided each camp with centrally located showers and laundries, washers and dryers, in addition to toilets in each of the plywood units.

5. Health clinics are administered by the Farm Workers Health Service of the State Department of Public Health. State matching funds are budgeted with the Department of Public Health.

The following table shows the number of migrant centers in the state funded through the Migrant Master Plan.

Farm Labor Centers—Calendar Year 1967

Center Location (County)	No. of units	Families served	Families turned away	Average family size	Persons served	Dates open	Days open
Gridley (Butte) -----	100	81	0	4.2	340	8/1-10/31	107
Yuba City (Sutter) ---	85	156	70	4.9	764	7/24-11/30	100
Madison (Yolo) -----	100	102	90	5.3	540	5/22-11/14	175
Dixon (Solano) -----	100	116	16	5.6	649	8/23-11/12	80
Harney Lane (San Joaquin) -----	144 *	296	715	5.5	1,628	4/15-11/12	198
Mathews Road (San Joaquin) -----	48	81	611	5.6	453	6/1-11/12	163
Mathews Road No. 2 (San Joaquin) ---	96	148	139	5.5	814	7/29-11/30	130
Empire (Stanislaus) -	85	117	45	4.8	516	6/1-11/15	168
Patterson (Stanis- laus) -----	55	40	42	5.8	232	6/1-11/15	168
Westley (Stanislaus) -	50	41	37	5.4	221	6/1-11/15	168
Turlock (Stanislaus) -	50	78	79	5.4	421	6/1-11/15	168
Merced (Merced) -----	60	147	100	5.4	793	5/15-11/15	184
Los Banos (Merced) -	90	181	86	6.1	1,104	5/21-11/15	179
Hollister (San Benito) -----	75	165	157	6.0	990	5/21-11/15	135
Indio (Riverside) ---	80	97	379	4.8	465	1/1-7/20	208
Totals -----	1,518	1,846	2,566	5.4	9,975		2,331

* Includes 48 trailer spaces.

Administration of the program is conducted primarily by the Office of Economic Opportunity. Direct administration and supervision of the camps is provided by county housing authorities and/or health departments under contract with the state. The state's responsibilities are fourfold: (1) assistance in program development, (2) supervision in program operation, (3) program evaluation, and (4) consultative services.

The Department of Finance provides fiscal and accounting services and must authorize all contracts entered into by the State Office of Economic Opportunity relating to the migrant program. Legislation establishing the contract approval procedure was to have terminated at the

Office of Economic Opportunity—Continued

end of the 1967 legislative session, but Chapter 1032, Statutes of 1967, established the procedure on a permanent basis.

We recommend approval of the Migrant Master Plan as budgeted.

College Work-Study Program

Item 34 proposes an appropriation of \$200,000 from the General Fund for the College Work-Study Program for the 1968-68 fiscal year. This is an increase of \$84,423, or 73 percent over the amount estimated to be expended during the current fiscal year. Although \$115,577 is estimated to be expended during the current fiscal year, a sum of \$200,000 was appropriated by Item 29 of the 1967 Budget Act.

This item is budgeted under the Office of Economic Opportunity. However, the office neither allocates the funds nor administers the program. The funds are allocated by the Department of Finance to those state agencies or institutions which cooperate in providing work stations for participants in local neighborhood youth corps programs. For the 1968-69 fiscal year the federal-state matching formula is on the basis of 80 percent federal and 20 percent state support. The current year matching formula is 85 percent federal and 15 percent state. Although the percentage of support funds supplied by the federal government is increased from the current year, the proposed state appropriation is the same as that approved for the current year.

We recommend approval of the amount budgeted.

Governor's Office

OFFICE OF TOURISM AND VISITOR SERVICE

ITEM 35 of the Budget Bill

Budget page 29

FOR SUPPORT OF THE OFFICE OF TOURISM AND VISITOR SERVICES, FROM THE GENERAL FUND

Amount requested -----	\$97,606
Estimated to be expended in 1967-68 fiscal year -----	81,038
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Increase (20.4 percent) -----	\$16,568
Increase to improve level of service -----	\$4,860

TOTAL RECOMMENDED REDUCTION ----- \$1,637

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	<i>Page</i>	<i>Line</i>
Temporary help -----	\$1,637	30	4	

GENERAL PROGRAM STATEMENT

The Office of Tourism and Visitor Services was established by Chapter 101, Statutes of 1964, and funded in 1965. The office is advised by a 15-member commission appointed by the Governor and is given six areas of responsibility:

1. To conduct a research program to develop data on the number of visitors, their expenditures, economic impact, points of origin and destination, and other relevant matters. The study to fulfill this requirement has been completed by Economic Research Associates of Los Angeles under contract with the state and the federal government. The

Office of Tourism and Visitor Service—Continued

total cost of the study was \$150,000, \$25,000 of which was the state's contribution, the remaining \$125,000 was funded under the terms of a federal Area Redevelopment Act grant. The office plans to update this study periodically and expand its areas of emphasis not permitted by the last funding.

2. Consult with and assist regional promotional organizations in their development and distribution of travel material and in other activities designed to attract visitors to California. Cooperation in this area consists of referring specific inquiries received by the office to the appropriate public or private organization. The office has met with each regional organization explaining the importance of the current study to its area. The office also furnishes literature prepared by regional organizations to those individuals requesting information.

3. Prepare, develop and distribute basic literature to encourage and promote the tourist industry in the state. A brochure has been prepared by the office and is used as the basic pamphlet providing a general and statewide presentation of the main attractions of California for tourists. Since November 1, 1966, 300,000 copies of the pamphlet, "The Golden World of California," have been distributed. The pamphlet is supplemented by information from private organizations and literature from specific state agencies such as the Department of Parks and Recreation. Further tourism information on specific events of geographic areas is provided to out-of-state newspapers and magazines through press releases.

4. Cooperate with private industry in supplying information concerning the state. The office has become more involved in this area as a result of the recently completed study which, in part, detailed 16 possible investment opportunities in prime tourism areas. The office has been receiving inquiries from private industry regarding these opportunities.

5. Develop tourist information material for distribution in other countries through the United States Travel Service. Brochures including "The Golden World of California" have been made available for distribution.

6. Cooperate with and assist other state agencies in providing facilities and services which will promote tourism. The office cooperates with the Division of Highways, the Department of Agriculture and the Department of Parks and Recreation in the distribution of their respective pieces of literature. These departments also aided the office in preparing the recently completed study.

ANALYSIS AND RECOMMENDATIONS

The 1968-69 budget request proposes a sum of \$97,606, an increase of \$16,568 or 20.4 percent over the expenditures of the current year. The budget requests an additional clerk to aid in the processing of correspondence received by the office. At the present time there are two professional and two clerical positions with a 0.8 authorization for temporary help.

Office of Tourism and Visitor Service—Continued

We recommend the additional clerk position be approved as submitted, and recommend a reduction of 0.4 in the temporary help portion of the budget for a reduction of \$1,637.

During 1967, the office received 35,785 pieces of mail classified as follows: tourist inquiries, 16,081, general letters on tourism, 5,154, school children inquiries, 14,239, and nontourist inquiries, 311. The total incoming mail in 1966 was 31,129 pieces.

The intermediate typist-clerk is requested to handle the heavy correspondence workload received by the office. During the current year the major portion of the 0.8 man-year of temporary help money budgeted by the office has been used for this purpose. With the establishment of a permanent position for handling correspondence, the agency will no longer need the amount of temporary help funds currently provided. Therefore, we recommend the funds be reduced to \$1,637.

The additional increase of \$10,000 is requested to keep the recently completed study current and to study other areas of tourism significant to California.

We recommend approval as submitted.

The completed study has provided information on California and California tourism in the following areas: (1) California's economic background, (2) statewide recreation travel by California residents, (3) statewide tourism by out-of-state visitors, (4) the economic impact of tourism and recreation in California, (5) tourism in individual California destination areas, and (6) future trends in tourism. Included within these major areas are facts on length of stay, types of activities most popular with tourists, tourist attractions, etc.

The report also included economic feasibility studies on 16 projects in prime tourist areas. These studies were included to encourage greater private investment in tourism.

Other areas of economic significance to California that were not covered in the report are: (1) visitors arriving by ship, (2) visitors from foreign countries, and (3) convention activities. These areas are to be included in the study proposed in the agency's budget.

The Director of the Office of Tourism and a representative from Economics Research Associates have been explaining the importance of the completed study to local areas and to regional associations. The report should aid local tourist organizations to define areas for emphasis and in some cases provide the method of promotion and advertising. These benefits can extend into the private sector if investors take action on the feasibility studies included in the report.

The state will directly benefit where it is involved in the provision of tourist facilities such as state parks. Knowledge of tourist activities should enable the state to plan for future needs in these areas. As a result of the study the office of tourism will be aided in the publication of any new promotional material and in the issuance of press releases to out-of-state publications.

Office of Tourism and Visitor Service—Continued

The report estimated tourism to be a \$3 billion industry providing approximately 1,350,000 related jobs. In light of these facts and the President's recent remarks on overseas travel, the economic benefits of increased tourism to California should not be underestimated.

**Governor's Office
DISASTER OFFICE**

ITEM 36 of the Budget Bill

Budget page 31

**FOR SUPPORT OF THE DISASTER OFFICE
FROM THE GENERAL FUND**

Amount requested -----	\$976,000
Estimated to be expended in 1967-68 fiscal year -----	998,875
Decrease (2.3 percent) -----	\$22,875
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL PROGRAM STATEMENT

The State Disaster Office came into existence in 1941. The office has three major objectives. The first is to assist the Governor in carrying out his constitutional and statutory responsibilities for controlling statewide and area disasters, whether war-caused, man-caused or natural, that are beyond the control of local government. The second objective is to prepare plans that will provide relief to the people of California in case of a war-caused disaster. In this event, the plans are coordinated with the federal government. The third objective is to prepare plans which will provide relief to the people in an area where perils to life and property exist due to a disaster caused by flood, fire, earthquake, storm, epidemic, air pollution, riot, etc. Again the magnitude of the disaster must be such that it is beyond the resources of the local political entity of the area before the assistance of the state is required.

The organization consists of an executive group headed by a director appointed by the Governor, a deputy director, an assistant to the director and a secretary. Under the executive group there is a Planning and Operations Division, a Fire and Rescue Division, a Law Enforcement Division, a Fiscal and Administrative Division and Field Office Services. Each division is headed by a chief who provides supervision and direction to the personnel in the operational sections of the division. In the Field Office Services there are four offices. These office locations and the counties they cover are as follows:

Los Angeles: San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, San Diego, Imperial, Riverside, San Bernardino, Inyo and Mono.

San Francisco: Monterey, San Benito, Santa Cruz, Santa Clara, San Mateo, Alameda, San Francisco, Contra Costa, Marin, Solano, Napa, Sonoma, Lake, Mendocino, Humboldt and Del Norte.

Oroville: Stanislaus, Tuolumne, San Joaquin, Calaveras, Alpine, Amador, Sacramento, El Dorado, Yolo, Placer, Nevada, Colusa,

Disaster Office—Continued

Sutter, Yuba, Sierra, Glenn, Butte, Plumas, Tehama, Trinity, Shasta, Lassen, Modoc and Siskiyou.

Fresno: Merced, Mariposa, Madera, Fresno, Kings, Tulare and Kern.

The following table shows other expenditures of federal funds related to activities of this office but not included in expenditure totals.

	<i>Actual</i> 1966-67	<i>Estimated</i> 1967-68	<i>Proposed</i> 1968-69
Expenditures of Federal Funds			
Not Reported Elsewhere:			
Disaster relief -----	\$3,558,802	\$6,980,000	\$3,500,000
Matching funds to local governments for personnel and administrative expense -----	1,517,743	1,750,000	1,510,000
Matching funds to local governments for supplies and equipment -----	1,760,357	1,960,000	2,300,000
Totals -----	\$6,836,902	\$10,690,000	\$7,310,000

ANALYSIS AND RECOMMENDATIONS

The amount requested for fiscal year 1968-69 from the General Fund is \$976,000 or \$22,875 less than estimated to be expended in the current year. This is also \$142,023 less than the actual expenditure from the General Fund for fiscal year 1966-67. The federal reimbursement for the 1968-69 fiscal year as proposed is \$658,007 which is not included in the overall budget totals. Our main concern has been that federal reimbursements were not as much as we thought they should be based on the assumption that the mission of the Disaster Office by necessity is related to a combination of natural, man-made and war-caused disasters. The Disaster Office advises that it is now receiving 100 percent payment for those functions entirely related to war-caused disasters. The agency has reduced the amount requested for the 1968-69 fiscal year well below the \$1 million mark which was approximately the amount appropriated by the Legislature for 1967-68. The major decrease in this budget results from a reduction of 32.5 positions and a transfer of 10 positions to the Department of Public Health effective January 1, 1968. The total reduction in personal services is \$225,499 and the transfer of 10 positions to public health accounts for \$106,518 of this. The major items of increase or decrease in operating expense are an increase in equipment maintenance and supplies, communications of \$20,218, a decrease of \$67,558 in contractual services, and a decrease of \$62,219 in federal contract operating expenses. Other minor increases partially offset these decreases.

There is an increase in equipment in the amount of \$24,027 as compared to the current year. The principal items in this category are the replacement of fire pumpers at a cost of \$192,000. This is the fifth phase of the 10-year program to replace 100 fire pumpers originally purchased by the federal government. Replacement of some riot helmets, batons and a public address system amount to \$9,400. Additional equipment for law enforcement such as riot guns, ammunition, tear gas grenades, gas masks and armored vests is \$20,825.

We recommend approval of this item as budgeted.

INTERGOVERNMENTAL COUNCIL ON URBAN GROWTH

ITEM 37 of the Budget Bill

Budget page 34

FOR SUPPORT OF THE INTERGOVERNMENTAL COUNCIL ON URBAN GROWTH, FROM THE GENERAL FUND

Amount requested	\$34,902
Estimated to be expended in 1967-68 fiscal year	26,693
Increase (30.8 percent)	\$8,209
Increase to improve level of service	\$5,628
TOTAL RECOMMENDED REDUCTION	\$1,000

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Reduction of printing	\$1,000	34	54

GENERAL PROGRAM STATEMENT

The Intergovernmental Council on Urban Growth was established as the Coordinating Council on Urban Policy by Chapter 1809, Statutes of 1963. The council's name was changed and the council given permanent status by Chapter 823, Statutes of 1965. The council is composed of 18 members appointed by the Governor of which three members represent the cities, three members represent the counties, two members represent the school districts, six members represent the state and four members represent the public at large. The executive committee as required by statute is composed of one member of each interest represented on the council.

The council is an advisory agency to the Governor and the Legislature and is responsible for the development of intergovernmental policy in the area of urban growth and for the encouragement of intergovernmental coordination. The council's major study in 1966-67 and 1967-68 was to clarify and make recommendations as to the state's role in federal urban programs. During fiscal year 1968-69, the council plans to study three subject areas: (1) methods of tax sharing, (2) the role of planning in relation to levels of government, and (3) the provision of open space. The council also plans to evaluate the use and impact of its previous studies and to update the Directory of State Services for Local Government which was published in late 1966.

ANALYSIS AND RECOMMENDATIONS

The council proposes an appropriation of \$34,902 for the 1968-69 fiscal year. This is an increase of \$8,209 or 30.8 percent over the expenditures for the current year. An increase in personnel services accounts for \$6,157 or 75 percent of the additional request. The increase is for the addition of a senior stenographer position for the executive secretary.

The Legislature reduced the proposed 1967-68 appropriation of the council from \$45,900 to \$25,000 without specifically reducing either of the two existing positions of executive secretary and stenographer or operating expenses. In order to achieve the necessary savings, the stenographer position was eliminated and various operating expenses were reduced. Deletion of the stenographer position has caused the executive

Intergovernmental Council on Urban Growth—Continued

secretary to carry out secretarial duties such as minute taking of council meetings and letter and report typing that takes him from his duties and responsibilities as secretary to the council. Some clerical assistance has been provided by the Department of Finance. However, this has proved to be unsatisfactory because the clerical position is budgeted for and is used by four technical people in the Department of Finance.

The budget proposes the restoration of the stenographer position in order to carry out the responsibilities imposed upon it by the Legislature in an efficient and timely manner. *We recommend approval of the position.*

The progress and activities of the council are consistent with the statutory requirements. The council is purely advisory in nature and has no means of implementing its recommendations.

The budget proposes \$2,100 for printing which is \$1,100 more than the current year.

We recommend a reduction of \$1,000 in the printing portion of operating expenses.

A large portion of the proposed printing amount is based on a proposed study for which funds are not included in the proposed budget. Until funds are authorized for that report, we find no justification for the additional printing allowance. This recommended reduction would not reduce the level of service of the council.

OFFICE OF LIEUTENANT GOVERNOR

ITEM 38 of the Budget Bill

Budget page 35

FOR SUPPORT OF THE OFFICE OF THE LIEUTENANT GOVERNOR FROM THE GENERAL FUND

Amount requested	\$186,411
Estimated to be expended in 1967-68 fiscal year	171,127
	<hr/>
Increase (8.9 percent)	\$15,284
TOTAL RECOMMENDED REDUCTION	None

GENERAL PROGRAM STATEMENT

The Lieutenant Governor is elected to hold office for the same term as the Governor as specified in Article V, Section 16, of the California Constitution and is charged with the following responsibilities:

1. He presides over the Senate when in session and assumes the Governor's responsibilities when the Chief Executive is absent from the state.

2. He serves as chairman of the following bodies: Commission of the Californias, Bicentennial Celebration Commission, Job Training and Placement Council, Interagency Council for Ocean Resources, and the Intrastate Automatic Data Processing Board.

3. He is a member of the following: Regents of the University of California, Board of Trustees of the State College System, Governor's cabinet and Governor's Council, State Lands Commission, Commission on Intrastate Cooperation, California Toll Bridge Authority, California

Office of the Lieutenant Governor—Continued

State Disaster Council, executive committee of the Intergovernmental Council on Urban Growth, and the Advisory Commission to the State Board of Education for the Teaching of the Bill of Rights.

ANALYSIS AND RECOMMENDATIONS

The proposed budget requests an appropriation of \$186,411 which is an increase of \$15,284 or 8.9 percent over the estimated expenditure of \$171,127 for the current year. This proposal would continue the present level of staffing of 11 positions in addition to the Lieutenant Governor. The total of \$8,781 of the increase is in the operating expense category. The largest portion of this increase results from Chapter 1533, Statutes of 1967, which provides constitutional officers with an expense account of \$5,000 above their compensation.

The request for equipment will not be a recurring item. The \$3,500 requested, a \$2,800 increase over last year, will be used to recarpet the Los Angeles office and standardize the typewriters in the Sacramento office.

We recommend approval of the budget as submitted.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

ITEMS 39, 40, and 41 of the Budget Bill

Budget page 36

FOR SUPPORT OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FROM THE PUBLIC EMPLOYEES' RETIREMENT FUND, THE STATE EMPLOYEES CONTINGENCY RESERVE FUND AND THE GENERAL FUND

Amount requested from the General Fund (Item 39) -----	\$22,500
Amount requested from the Public Employees' Retirement Fund (Item 40) -----	2,769,489
Amount requested from the State Employees Contingency Reserve Fund (Item 41) -----	400,832
Total requested -----	\$3,192,821
Estimated to be expended in 1967-68 fiscal year -----	2,982,058
Increase (7.1 percent) -----	\$210,763

GENERAL PROGRAM STATEMENT

Chapter 84 of the Statutes of 1967 changed the name of the State Employees' Retirement System to the Public Employees' Retirement System. This change in name only better reflects the composition of the membership of the system at the present time, with 157,608 state members and 208,952 members of contracting agencies as of June 30, 1967.

The mission of the system under the policy direction of its eight-member board of administration is to effect economy and efficiency in government by providing a means for the retirement of public employees without hardship or prejudice and to provide retirees with retirement pay and their survivors with death benefits.

The system's staff of 289.1 authorized positions under the direction of the executive officer is organized into three units: Administration, which has the responsibility for the basic retirement program including