

Recommendation

We recommend approval of all items, subject to the approval of agricultural items by the Joint Legislative Committee on Agriculture and Livestock Problems and items over \$5,000 by the Public Works Board, with the exception of the pumping plant at Sonoma Creek Station. We believe that the budgeted cost of \$20,000 is excessive and should be carefully scrutinized, although this item is necessary.

ADJUTANT GENERAL

For Support of the Adjutant General and the California National Guard from the General Fund

Item 241 of the Budget Bill and pages 499 to 508 of the Budget. The amount requested is \$2,536,201, an increase of \$836,099 over expenditures of \$1,700,102 in 1947-48. The expansion in expenditures of this office has been due to the rapid growth which followed the reactivation of the National Guard program following the war.

At the present time there are 281 units which have been activated out of a total allocation of 378, with a strength of approximately 9,000 men. The administrative burden which is involved in maintaining records, correspondence, and other clerical work is determined largely by the number of activated units irrespective of the size of the individual units. The increase in workload, therefore, is directly related to the increase in number of units. At the present time the administrative staff is unable to keep up with the work which is to be done and this budget is an attempt to relieve this situation. In view of the continuous expansion of this organization, it is difficult to project with a great degree of accuracy the staff which will be actually required.

This increase provides for substantial strengthening of the headquarters staff in order to take care of the greatly increased paper work associated with an expanding program, to increase the number of property inventories made, and to add to the accounting office, the supply section, and the personnel section in order to meet regular housekeeping needs. There has also been an increase in the number of motor pool mechanics. It is probable that some of this increase is temporary to take care of the distribution of property received from the Federal Government and to move state equipment to newly acquired armories. This part of the staff should be critically reviewed each year in order that any decline in the receipt of this property will be speedily reflected in an increasing reduction in personnel. There are 111 new employees proposed for maintenance and operation for installation, a portion of whom are for maintenance of new locations including air fields, and an additional portion of whom are for the activation of aircraft and control squadrons requested for the Federal Government. In fact, a substantial part of the total increase in this budget is due to the assumption of the responsibility of establishing aircraft control and warning facilities and other aircraft installations.

We repeat the recommendation made in the Analysis of the Budget and the Budget Bill by the Legislative Auditor that the State of California should assume the responsibility of paying only its share of National Guard expenses sufficient to protect the internal welfare of the

State and that the cost of any complement over and above that amount should be borne by the Federal Government. The contribution to national defense which comes about automatically through participation in the National Guard program should be considered as a coincidental contribution and should not obligate the State to maintain a balanced military organization from the national standpoint, based on any particular number of guard members who choose to participate in this program. It is further stated that this principle of the State's responsibility should be applied to leave all costs of any special units or facilities designed primarily for purposes of national defense to be carried by the Federal Government.

On this basis we believe that the proposed budget includes amounts for establishing air defense facilities which properly should be considered as a cost of the Federal Government. These special units are primarily national defense units and should be integrated into a national defense program and should not be considered to be for the purpose of protecting the internal welfare of the State.

It has been stated by the Adjutant General that he believes the amounts expended for aircraft facilities will be reimbursed by the Federal Government on the basis that 75 percent of the cost will be borne by the Federal Government and 25 percent by the State. We recommend, nevertheless, that this cost should be carried 100 percent by the Federal Government, and it should also be pointed out that if the State at this initial stage in the organization of the expansion of the National Guard accepts the responsibility of bearing this extremely high cost part of the National Guard program that in all probability in due course of time an increased burden will be passed on to the State. This is typical of the federal-state relationship.

We recommend, therefore, that all specialized air defense facilities be eliminated from this Budget and that this Budget should provide for only such administrative costs as are required to include a reasonable air wing in the National Guard if the cost of the latter is borne by the Federal Government.

Recommendation

We recommend that the amount requested be reduced by \$13,500 to \$2,522,701.

This is a reduction of the amount of \$18,500 requested for decorations, flags and trophies to \$5,000. The larger amount included the cost of expensive medals to be given to men who had been members of the National Guard for 20 years. Redesigning of the medals will effect the saving of \$13,500.

We recommend that the State support of special units and facilities designed primarily for purposes of national defense be limited to an amount equal to the cost of each unit designed for the internal security and welfare of the State.

For the Establishment of Unit Funds

Item 242 of the Budget Bill and page 507 of the Budget. The amount requested is \$50,000 from the General Fund.

This is a nonrecurring item which is intended to provide the initial financing for company funds, to be used for furnishing day rooms, purchase recreational equipment, decorations, and other miscellaneous items for the welfare of the unit. This will amount to approximately \$150 per unit. It is expected that the companies of the National Guard will supplement these funds with contributions and revenue from outside sources.

Unit funds existed prior to World War II in the National Guard units, but were dissipated or disappeared during the war, and now have to be reestablished.

Recommendation

We recommend that the amount requested be approved with the further condition that this be considered an advance to the National Guard and that it be repaid out of unit revenues within three years after the advance of the money to the unit.

Analysis

There is in the Budget of the Adjutant General \$50,090 for recreational and athletic equipment, dues, subscriptions and publications, and miscellaneous equipment. We believe that this is the proper expense of the State and that any additional equipment required by individual units for their welfare should be an expense carried by the unit from its own funds. Since it is recognized that such funds contribute to the morale of the unit we are recommending the advance of the amount requested.

CALIFORNIA CADET CORPS

For Support of the California Cadet Corps

Item 243 of the Budget Bill and pages 506 and 507 of the Budget. The amount requested is \$183,059, an increase of 29 percent over actual and estimated expenditures of \$141,891 for 1947-48. A major part of this increase is for three storekeepers and three intermediate typist-clerks and expenses incident to the establishment of these positions. In part, these positions are due to the increase in number of schools and cadets from 53 schools with 3,811 cadets on August 1, 1946, to 73 schools with 4,979 cadets at the present time. This increase has added materially to the administrative and bookkeeping details of the staff. Some of this work, however, is temporary dealing with distribution of property and should be reduced as the distribution is completed.

An additional \$4,000 is requested to provide for instructors at annual cadet encampments.

Recommendation

We recommend the approval of Item 243 in the amount requested. However, the request for three additional storekeepers should be reviewed in the 1949-50 Fiscal Year in the light of additions to the number of cadets and the volume of property distributions. An increase in operating expenses of \$16,924 is almost wholly due to price increases in accordance with Department of Finance schedules.