

the Motor Vehicle Code prohibits granting of deficiencies from the Motor Vehicle Fund in accordance with Section 11006 of the Government Code, which is the section provided for the allowance of deficiencies. *In view of the prohibition against deficiencies whether the requested reserves should be allowed is matter of Legislative policy.*

Recommendation

We recommend that Item 247 in the amount of \$165,500 be deleted in view of the express prohibition against deficiencies contained in Section 778 of the Motor Vehicle Code.

Analysis

The amount of \$165,500 as a reserve for contingencies is to provide:

(a) The amount of \$80,000 to cover the cost of handling motor vehicle registrations in excess of the anticipated 4,716,000 on which the regular budgetary request is based, but not to exceed an excess of 5 percent or 235,800 additional registrations and making provision for the maximum total of 4,951,800 registrations.

(b) The amount of \$85,500 to provide funds for expenditures for operation of the New Financial Responsibility Law in the event the reportable accidents exceed the 185,000 for the 1948-49 Fiscal Year as estimated by the Department of Finance but not to exceed the 225,000 estimated by the Department of Motor Vehicles. *These agencies have been unable to reconcile their differences of opinion and therefore request a reserve for the contingency that the workload may exceed the Department of Finance estimate.*

DEPARTMENT OF NATURAL RESOURCES—DEPARTMENTAL ADMINISTRATION

Item 248 of the Budget Bill and pages 522 to 523 of the Budget. The amount requested is \$149,651, an increase of \$17,180, or 13 percent, over estimated expenditures of \$132,471 in 1947-48.

The increase in salaries and wages from \$206,395 in 1947-48 to \$230,793 in 1948-49, an increase of \$24,398 is composed of increases in personnel of 6.4 man-years, and salary increases and reclassifications of existing positions. Operating expenses increase from \$19,425 in 1947-48 to \$30,240 in 1948-49, an increase of \$10,815 and equipment increased by \$1,730 over the amount of \$8,765 spent in 1947-48. Pro rata costs to special fund divisions have been increased \$19,763 or 19.3 percent, making the net increase of \$17,180.

New positions are requested in the amount of 6.4 man-years in the accounting and personnel sections at a cost of \$14,672. *One position of accountant-auditor requested is to care for an increased workload caused by the annual Budget.* The positions requested appear to be justified by the increased workload of the department.

The major items of increase in operating expenses are a request for \$6,000 for conservation education, and an increase of \$2,200 in traveling, reflecting increased travel of two departmental property inspectors.

The \$6,000 for conservation education is to be used for the purchase of a film dealing with natural resources of California and the publication of a pamphlet on the same subject. We recommend approval of this

amount on the basis that the projects should be of value in any departmental program of conservation education developed. *However, a conservation education program should be developed for the Department of Natural Resources as a whole rather than on a divisional basis as at present.*

Recommendation

We recommend that Item 248 be approved in the amount of \$149,651 as requested.

We further recommend that a complete study be made of all conservation education programs in the Department of Natural Resources looking toward a coordinated and unified program under the administration of the department. At the present time the Division of Forestry, the Division of Beaches and Parks, and the Division of Fish and Game are all carrying on independent conservation education programs in their individual fields with an approximate cost of \$200,000 in 1948-49. *We feel that a unified program designated to cover all appropriate activities performed by the Department of Natural Resources would be more economical and produce greater results.*

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF BEACHES AND PARKS

For Support of the Division of Beaches and Parks from the State Park Maintenance Fund and the General Fund

Items 249 and 250 of the Budget Bill and pages 524 to 529 of the Budget.

Item 249 covers the requested amount for support of \$1,025,697 from the State Park Maintenance Fund. *However, the total for support less reimbursements will actually be \$1,850,715, as Item 250 transfers \$825,018 from the General Fund to the State Park Maintenance Fund. This total request is an increase of \$413,219, or 28.7 percent over actual and estimated expenditures of \$1,437,496 for 1947-48, one of the highest increases found in the Budget.*

The Division of Beaches and Parks is an agency supported out of a special fund, the State Park Maintenance Fund. This special fund is created by law and is not from licenses on an industry or group served. The money in the State Park Maintenance Fund is made available through transfer from the State Park Fund and the State Beach Fund. These funds are created by transfer from the State Lands Act Fund. The State Lands Act Fund derives revenue from the lease and sale of state lands and from oil and mineral royalties on state lands.

Currently revenues from oil royalties derived from tideland fields have been largely impounded by the United States Government resulting from a recent Supreme Court decision vesting paramount interest in tidelands in the United States. Until the tidelands are returned to the State, there will be no adequate continuing source of state revenue from these lands unless the United States releases the impounded money to the states and gives the State a continuing interest in the tidelands. About two-thirds of the revenues are lost to the State.

The needs of the Division of Beaches and Parks have never been evaluated in relation to all other phases of State governmental activity. The only basis governing the program of the division has been the amount of money available and the extent of the program which could be undertaken in any given period.

We recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from state school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

We recommend that no General Fund money be allowed for the support of the Division of Beaches and Parks and that all activities of the Division of Beaches and Parks be held to the limits of the money available from the State Lands Act Fund, unless the receipts from the State Lands Act Fund is transferred to the General Fund and the Division of Beaches and Parks is supported from the General Fund.

This would mean that the program of the Division of Beaches and Parks would be confined to the \$1,025,697 from the State Park Maintenance Fund plus reimbursements and transfers recommended in other items. These transfers will include all or part of the \$664,393 available for support from the State Beach Fund now indicated to be used for other current expenses and the capital outlay program.

In case the Division of Beaches and Parks will have to curtail its program to live within the money available, the division should determine what functions it can afford to dispense with and which it can maintain.

Recommendations

We recommend that Item 249 be approved in the amount of \$1,025,697 and that Item 250 in the sum of \$739,708 be not approved unless the entire receipts of the State Lands Act Fund are transferred to the General Fund. This is a reduction of \$85,310 from the original request of \$825,018. The recommended reductions are listed below.

Salaries and Wages

We recommend that the conservation education program be transferred to the control of the Departmental Administration. If the Division of Beaches and Parks is supported entirely out of the General Fund, there should be a reduction in the support of the division by \$15,003, and an augmentation of the Departmental Administration Budget in a like amount. If the division receives enough money for support from the Beaches and Parks, the amount requested should be allowed and the money transferred to the Departmental Administration Budget.

1 Intermediate stenographer-clerk	\$2,280
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The division justified the request for this position because the Deputy Chief has only part-time assistance. One intermediate stenographer-clerk is doing filing at the present time. An additional file clerk is requested to relieve the intermediate stenographer-clerk doing the filing. This will release the intermediate stenographer-clerk for full-time work for the deputy chief. The need of a full-time stenographic position for the deputy chief is also questioned for \$1,200 is provided for his travel for

the year. With so much travel he cannot use very much stenographic service.

1	Janitor	\$2,040
3	Rangers, grade 3	10,350
6	Rangers, grade 2	18,360
14	Rangers, grade 1	35,280
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24		\$66,030

The Division of Beaches and Parks is requesting 24 new positions to staff new beach and park areas which are not in the park system at the present time but may be acquired during the 1948-49 Fiscal Year. The request is based on such tentative schedule of acquisition that we feel the full program should not be allowed, particularly in view of the condition of the State Beach and State Park Funds. It is not mandatory on the Division of Beaches and Parks to develop the areas as soon as they are acquired.

We also question the policy of taking over beach areas now operated by the counties and which will be the cause of a large part of the increases in personnel requested.

All operating expenses for these positions should also be deleted as well as equipment for the positions and the areas acquired.

We also recommend that the addition of any new personnel for existing facilities should be most carefully considered and done only in those cases where it is absolutely necessary in view of the precarious condition of the finances of the Division of Beaches and Parks.

Operating Expenses

Exhibits at the State Fair and at the county fairs..... \$2,000

A request is made for \$2,000 for the purchase of exhibits for use at the State Fair and at county fairs. We recommend that a separate Budget Bill item be set up for use by all state departments who wish to exhibit at the state or county fairs. Justification would be necessary before allowance of expenditures from this item. *We further recommend that the funds in the item for exhibits at the State Fair and county fairs be derived from the Fairs and Exposition Fund.* If the fairs wish these exhibits, they should be financed from these funds.

The request for operating expenses for the Division of Beaches and Parks should be reduced by \$2,000.

Title and escrow expenses..... \$15,000

An amount of \$15,000 is requested to pay for title and escrow expenses on property acquired by the Division of Beaches and Parks. Such expenses should be considered as part of the cost of acquisition and should be included in the purchase price of the land. We therefore recommend that this item be deleted, a reduction of \$15,000.

We wish to point out that the cost of maintenance for the Division of Beaches and Parks is steadily increasing and will continue to do so because of the large acquisition program being conducted by the division. For example, maintenance charges in 1947-48 were \$42,000. In 1948-49 expenditures for this purpose are scheduled at \$116,700. Part of the increase is due to the transfer of some expenditures from the construction and repair items but the actual trend of expenditures for maintenance purpose is steadily up.

For Investigations, Surveys, and the Preparation of Plans for the Acquisition of Areas for State Parks, from the General Fund

Item 251 of the Budget Bill and page 529 of the Budget. The amount requested is \$10,000 from the General Fund for conducting investigations and surveys, and the preparation of plans for the acquisition of areas for state parks.

This is the first time money for this purpose has been requested from the General Fund. All other requests have been made from the State Park Fund, a special fund. The State Lands Act Fund revenues from oil royalties from tidelands have been impounded by the United States, this stops the transfer of money from the Lands Act Fund to the State Park Fund where it would be available for this purpose.

This is the same amount estimated to be spent in 1947-48 from the State Park Fund.

Recommendation

We recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from state school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

We recommend that expenditures for the purpose designated in Item 251 shall not be made from the General Fund until all receipts, except from state school lands, now paid into the State Lands Act Fund, are transferred to the General Fund or from the State Park Fund until the impounded funds of the State Lands Act Fund are decreased and available in the State Park Fund.

For Investigations, Surveys, and the Preparation of Plans for Acquisition and Development of State Beaches, from the State Beach Fund

Item 252 of the Budget Bill and page 529 of the Budget. The amount requested is \$25,000 from the State Beach Fund. This is the same amount estimated to be expended in 1947-48.

Recommendation

We recommend that the money now available in the State Beach Fund be expended for the support, maintenance, and development of existing beach facilities and that new acquisitions be delayed until such time as the Beach and Park Funds have sufficient funds available in the State Beach Fund and the State Park Fund to support existing facilities or supported entirely from the General Fund.

We therefore recommend that Item 252 not be allowed, a reduction of \$25,000.

For Mean High Tide Line Survey from the State Beach Fund

Item 253 of the Budget Bill, page 529 of the Budget. The amount requested is \$25,000 from the State Beach Fund to be used for continuance of a survey to establish the mean high tide line along certain ocean beaches. This is a survey which should be continued.

Recommendation

We recommend that Item 253 be approved in the amount of \$25,000 as requested which is the same amount allowed in 1947-48.

This is an exception to our recommended policy of having all State Beach Fund money used only for support or development of existing facilities, for this survey will be of great value to the State.

For Establishment and Development of Riders' and Hikers' Trails from the General Fund

Item 254 of the Budget Bill and page 530 of the Budget. The amount requested is \$100,000 from the General Fund for establishment and development of riders' and hikers' trails.

This is the first time that a request for this purpose has been made from the General Fund. All other requests have been from the State Park Fund, a special fund.

Chapter 112 of the Statutes of 1946 appropriated \$300,000 from the State Park Fund for the development of riders' and hikers' trails. *Of this amount \$240,058 is still available. We, therefore, recommend that no additional appropriation be made until the money made available by Chapter 112 has been spent and that any such money should be appropriated from the State Park Fund.*

Recommendations

We recommend that Item 254 be deleted from the Budget Bill, a reduction of \$100,000.

We further recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from state school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

Until such time as the Division of Beaches and Parks, which is now supported by State Lands Act Fund money, is supported entirely from the General Fund, we recommend that expenditures for the purpose designated in Item 254 shall not be made from the General Fund, but shall be held up until receipts are transferred to the General Fund or impounded funds of State Lands Act Fund as released and available in the State Park Fund, when such expenditures shall be considered from that fund.

For the Acquisition of Additional Redwood Park Areas in Humboldt and Del Norte Counties, from the General Fund

Item 255 of the Budget Bill and page 530 of the Budget. The amount requested is \$52,223 for the acquisition of additional redwood park areas in Humboldt and Del Norte Counties from the General Fund. There has been a continuing program of purchase of these areas from the State Park Fund.

Due to the depletion of the State Park Fund caused by the impounding of State Lands Act Fund oil royalties by the United States, this item has been requested from the General Fund.

This is the first time money for this purpose has been requested from the General Fund. All other requests have been made from the State Park Fund, a special fund. The State Lands Act Fund revenues from oil royalties from tidelands have been impounded by the United States, and this stops the transfer of money from the Lands Act Fund to the State Park Fund where it would be available for this purpose.

Recommendations

We recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from state school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

We recommend that expenditures for the purpose designated in Item 255 shall not be made from the General Fund until all receipts, except from state school lands, now paid into the State Lands Act Fund are transferred to the General Fund or from the State Park Fund until the impounded funds of the State Lands Act Fund are released and available in the State Park Fund.

For Acquisition of Real Property Adjacent to the Existing State Parks from the General Fund

Item 256 of the Budget Bill and page 530 of the Budget. The amount requested is \$100,000 from the General Fund for the acquisition of real property adjacent to existing State parks, not to exceed 10 percent of the area of the existing park.

This is the first request for this purpose from the General Fund as all other requests of a like nature were from the State Park Fund. The State Park Fund has been depleted due to the fact that State Lands Act Fund revenues from oil royalties have been impounded by the United States Government. The State Park Fund receives money by transfer from the State Lands Act Fund.

Recommendation

We recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from State school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

We recommend that expenditures for the purpose designated in Item 256 shall not be made from the General Fund until all receipts, except from State school lands now paid into the State Lands Act Fund are transferred to the General Fund or from the State Park Fund until the impounded funds of the State Lands Act Fund are released and available in the State Park Fund.

**For Acquisition of Parcels of Land Adjacent to Presently Owned State Beaches,
from the State Beach Fund**

Item 257 of the Budget Bill and page 540 of the Budget. The amount requested is \$100,000 from the State Beach Fund. The money is to be used for the purchase of lands adjacent to presently owned State beaches and not to exceed 10 percent of the areas of the adjacent State-owned beaches.

Recommendation

We recommend that Item 257 not be approved and that all money in the State Beach Fund be used for support and development of existing facilities until such time as the funds available in the State Beach Fund and the State Park Fund are sufficient to support the existing facilities, or the Division of Beaches and Parks is supported entirely from the General Fund.

We further recommend that the limitation on acquisition of land to 10 percent of existing state-owned areas be modified to put the limitation at either 10 percent or 20 acres, whichever is smaller.

For Acquisition of Shore Line Property, from the State Beach Fund

Item 258 of the Budget Bill and page 540 of the Budget. The amount requested is \$100,000 from the State Beach Fund. This money is to be spent for the acquisition of land lying between the highway rights-of-way and the mean high tide line as provided in Sections 880 and 881 of the Streets and Highways Code.

A similar amount was approved in the 1947-48 Budget.

Recommendations

We recommend that Item 258 not be approved, a reduction of \$100,000.

We further recommend that all funds available in the State Beach Fund be used for maintenance and development of existing beach facilities until such time as the Division of Beaches and Parks has funds again available in the State Beach Fund for the maintenance of existing facilities or is supported entirely from the General Fund by law so enacted transferring receipts from the State Lands Act Fund to the General Fund.

**For Construction, Improvements, Repairs and Equipment of State Beaches
from the General Fund**

Item 259 of the Budget Bill and pages 530 to 539 of the Budget. *The amount requested is \$2,801,050 from the General Fund for construction, improvements, repairs, and equipment of State Parks.*

This is the first request for money for this purpose from the General Fund, as the State Park Fund provides money for construction. The State Park Fund will have an estimated unbudgeted surplus of only \$819,860 at the end of the Fiscal Year 1947-48 due to the fact that the oil royalties of the State Lands Act Fund have been impounded by the United States Government and little money is available for transfer to

the State Park Fund from the State Lands Act Fund. Of the amount of \$819,860 estimated to be in the State Park Fund as of July 1, 1948, \$579,802 is to be used for support expenditures and \$240,058 for development of riders' and hikers' trails. *No money is available for the construction program as outlined here.*

Recommendations

We recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from State school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

We recommend that expenditures for the purpose designated in Item 259 shall not be made from the General Fund until all receipts, except from state school lands, now paid into the State Lands Act Fund are transferred to the General Fund or from the State Park Fund until the impounded funds of the State Lands Act Fund are released and available in the State Park Fund.

In the case that there is money available to the Division of Beaches and Parks through the State Park Fund for construction, improvement, repair and equipment we make the following recommendations:

1. *The construction and improvement program is excessive both as to scope and to cost. The division is building up a large number of facilities that will have to be maintained year after year making the support cost of maintaining the facilities go up with no funds in sight for such support. No real attempt is made to see that the beach and park facilities are made self-sustaining. The source of revenue bears no relationship to the expenditure and no attempt is made to evaluate the importance of the program in the light of the other functions and services performed by the State. The governing factor is not the need for the facilities but the amount of money available.*

2. All items of construction, improvement, repair and equipment costing more than \$5,000 should be reviewed by the Public Works Board, and Item 259 should be so amended.

3. All power line installations should be delayed for at least one year in view of the acute power shortage in prospect.

4. No fences should be built unless absolutely necessary until the price of wire and posts go down. Fencing material is at a premium both as to cost and supply, and both industry and agriculture should have first call on the limited supply.

5. All requests for portals in park and beach areas should be deleted from the budget item. The cost is excessive and they are unnecessary.

6. The cost of residences to be constructed is excessive and serious consideration should be given to prefabricated houses similar to the Critchfield houses, a two-bedroom house unit which costs approximately \$3,500.

7. The cost of incinerators requested for several locations is too high and should not be allowed.

Eliminations and adjustments alone proposed above will save \$281,650 for 1948-49 and provide a construction program of \$2,519,400.

All other items should be carefully reviewed and those not absolutely necessary suspended for at least one year.

**For Construction, Improvements, Repairs and Equipment of State Parks
from the General Fund**

Item 260 of the Budget Bill and page 539 of the Budget. *The amount requested is \$100,000 from the General Fund for the construction, improvement, repair and equipment of state parks to be acquired during the 1948-49 Fiscal Year. This money is to be spent under the direction of the Department of Finance.*

This is the first time a request for construction and improvement of state parks has been made from the General Fund. All other such requests are made from the State Park Fund. There will be insufficient money in the State Park Fund during the Fiscal Year 1948-49 to carry out the entire program of the Division of Beaches and Parks necessitating the request from the General Fund.

Recommendations

We recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from state school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

We recommend that expenditures for the purpose designated in Item 260 shall not be made from the General Fund until all receipts, except from state school lands, now paid into the State Lands Act Fund are transferred to the General Fund or from the State Park Fund until the impounded funds of the State Lands Act Fund are released and available in the State Park Fund.

**For Construction, Improvements, Repairs and Equipment of State Beaches
from the State Beach Fund**

Item 261 of the Budget Bill and pages 540 to 542 of the Budget. The amount requested is \$439,393 for construction, improvements, repairs and equipment of state beaches from the State Beach Fund.

Recommendations

We recommend that Item 261 be reduced and modified in the following ways:

We recommend that all money available in the State Beach Fund be used first for support and maintenance of existing facilities. By adding the amount of \$439,393 requested here to the support of the division it would materially reduce the deficit in the support request that is asked to be made up out of the General Fund.

We recommend that the development of new areas be delayed until such time as there is money available in the State Beach Fund to carry on the functions, for which it was created, or until the Division of Beaches and Parks is entirely supported by the General Fund, by transfer to the General Fund of receipts of the State Lands Fund, except from school lands.

In case there is money available for construction we make the following recommendations:

1. The construction and improvement program is extensive and excessive particularly when the beaches are not self-supporting. *The expenditures are not correlated with the other services and functions rendered by State Government and the only criterion is the availability of the money which has been derived from a source which bears little relationship to the needs for expenditure.*

2. All items of construction over \$5,000 should be referred to the Public Works Board for review and decision.

3. The construction of power lines should be delayed at least one year in face of the acute power shortage threatening and all electrical installations should be reviewed carefully in the light of that situation.

4. No fences should be constructed until the cost of wire goes down, for the supply is critical and the cost excessive.

5. The cost of residences is excessive and before construction is undertaken due consideration should be given to prefabricated housing similar to Critchfield houses which cost approximately \$3,500 for a two bedroom house, as contrasted to the \$16,000 residences requested by the Division of Beaches and Parks for park wardens.

Eliminations and adjustments proposed above will save \$162,150 in 1948-49 and reduce the amount requested for construction to \$277,247.

For Construction, Improvements, Repairs and Equipment of State Beaches from the General Fund

Item 262 of the Budget Bill and pages 540 to 542 of the Budget. *The amount requested is \$485,037 from the General Fund.*

This is part of the request for construction, improvements, repairs and equipment which combined with Item 261 make up the construction program for areas now a part of the State Beach System. *The money in the State Beach Fund would be sufficient to do about one-half of the contemplated program so that the request was made of the General Fund to make up the difference.*

Recommendation

We recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from state school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

We recommend that expenditures for the purpose designated in Item 262 shall not be made from the General Fund until all receipts, except from state school lands, now paid into the State Lands Act Fund are transferred to the General Fund or that they shall not be made from the State Beach Fund until the impounded funds of the State Lands Act Fund are released and available in the State Beach Fund.

**For Construction, Improvements, Repairs and Equipment of State Beaches
from the General Fund**

Item 263 of the Budget Bill, page 543 of the Budget. The amount requested is \$200,000 from the General Fund for construction, improvements, repair, and equipment of State Beach areas to be acquired during the Fiscal Year 1948-49.

Recommendations

We have recommended that there be no acquisition of new beach areas until money is available in the State Beach Fund to carry the program, or until the Division of Beaches and Parks is entirely supported by the General Fund. If no new sites are acquired, there will be no need for money to develop them.

We recommend that all revenues paid into the State Lands Act Fund with the exception of receipts from State school lands be transferred into the General Fund and that any impounded State Lands Act Fund money which is released by the United States be transferred automatically into the General Fund.

Until such time as the Division of Beaches and Parks, which is now supported by State Lands Act Fund money, is supported entirely from the General Fund, as above stated, we recommend that expenditures for the purpose designated in Item 263 shall not be made from the General Fund, but shall be held up until impounded funds of State Lands Act Fund are released and available in the State Beach Fund, or until receipts therefrom are transferred to the General Fund.

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF FISH AND GAME

**For Support of the Division of Fish and Game, from the Fish and Game
Preservation Fund**

Item 264 of the Budget Bill and pages 545 to 552 of the Budget. The amount requested is \$4,343,051, an increase of \$646,070, or 17.5 percent over expenditures of \$3,696,981 in 1947-48.

The increase over 1947-48 is composed of *increases in salaries and wages of \$331,622, operating expenses \$255,911 and equipment \$71,037.*

The major factors causing the increases are:

1. The Division of Fish and Game contemplates *an expansion of the conservation education program by \$138,702 over expenditures of 1947-48.*
2. An increase in patrol and law enforcement of \$161,405 by the addition of new patrol vessels and increased operation of existing facilities.
3. *New positions in the amount of 83.3 man-years costing \$227,781 are requested and there is a decrease in salary savings in the amount of 13.6 man-years or \$35,416 or an increase in man-years available of 96.9, or \$262,197.*

The Fish and Game Division is supported out of revenues from the sale of licenses, collection of taxes and fines and other miscellaneous sources of revenue; it is self supported. *Revenue estimates for 1948-49 show total revenues of \$4,794,850, an increase of \$965,019 over 1947-48.*

This is due to increased sales of licenses and increased fees for licenses authorized by the Legislature in 1947.

These revenues will meet costs of support of \$4,343,051 in 1948-49 but when considering the entire program of support, other current expenses and capital outlay the *revenues will be short by \$664,201.*

The Legislature granted the Division of Fish and Game through the Wild Life Conservation Board \$3,000,000 a year for the next three years for capital outlay from the Horse Race Revenues. These expenditures are not reflected in the comparison above.

There will be a marked adverse effect in increasing costs of support of the Division of Fish and Game when the projects for which this money is spent are placed in operation and the duty of supporting the facilities so acquired falls upon the Fish and Game Preservation Fund.

Licenses, fees, and taxes will have to be increased again to provide sufficient funds for support. Soon the point will be reached where it is so expensive to hunt and fish in relation to the catch that the number of hunters and anglers will be reduced, exercising an adverse influence on revenues of the Division of Fish and Game.

Recommendations

We recommend that Item 264 be approved in the amount of \$4,183,415, a reduction of \$159,636 or 3.7 percent. This amount is still \$504,565 more than estimated revenues when considering the whole program.

The reductions and general recommendations are given below:

Conservation Education and Information—\$8,500

We recommend that the money requested by the Division of Fish and Game for Conservation Education and Information be transferred to Departmental Administration of the Department of Natural Resources to be expended under the control of the Director of Natural Resources in coordination with the conservation education programs of the Division of Beaches and Parks and the Division of Forestry.

This is not a reduction of Item 264 but a transfer of \$193,264 from the Division of Fish and Game to Departmental Administration. The request for \$8,500 for exhibits should be deleted. A separate item for fair exhibits should be set up with money from the Fairs and Exposition Fund to be made available to any State agency that can justify expenditures for this purpose.

Patrol and Law Enforcement—\$69,275

We recommend that the request for 10 additional fish and game wardens and three additional assistant fish and game wardens not be allowed, a reduction of \$36,800.

Serious consideration should be given to granting field personnel in all bureaus of the division the power of police officers in carrying out the function of the Fish and Game Division. *The division is completely departmentalized and there is little over-all cooperation between the different bureaus.* This should be corrected.

In addition, estimated salary savings are reduced by \$7,000, providing 2.1 man-years of additional help which was not available in 1947-48.

The addition of clerical and other help in the divisional offices will relieve other types of employees allowing them to spend more time in the field and to perform their jobs better.

Operating expenses and equipment should be reduced accordingly. *Thirteen cars should not be allowed, a saving of \$20,475, and travel and automobile operations should be reduced by \$12,000.*

Total reductions recommended are \$70,275.

Marine Fisheries—\$5,600

We recommend that the purchase of a research vessel be allowed as a deficiency and that the vessel be purchased immediately. We further recommend that the amount necessary to purchase and outfit the vessel be repaid to the Fish and Game Preservation Fund from the Wildlife Restoration Fund.

No new traveling positions are requested. *We recommend that new automotive equipment be reduced in the amount of \$5,600.*

Fish Conservation—\$23,921

1. We recommend that the position of assistant sanitary engineer not be allowed as this overlaps with the functions of the Public Health Department. Where the aquatic biologists make studies for fish planting and growth they would have to make investigations as to the condition of the water in regard to pollution so that the position overlaps in that respect also. This is a reduction of \$3,900.

2. There are now 16 biologist positions in the Bureau of Fish Conservation and provision for student biologists in the amount of 4.3 man-years amounting to \$9,180, an increase of 1.8 man-years and \$3,820 over 1947-48. In addition, salary savings in the Bureau of Fish Conservation are reduced in 1948-49 *by 6.7 man-years*, or \$15,000 from 1947-48, thus making available to the bureau that much additional time over 1947-48 which can be used for other positions.

We therefore recommend that the three positions of biologists requested not be allowed, a reduction of \$10,716.

3. Operating expenses should be reduced by \$3,355, allowing \$35,000 for travel operations due to the deletion of the requested positions.

4. Equipment for the positions recommended not allowed should be deleted. We recommend that additional automobiles not be allowed in the amount of \$5,950.

Game Conservation—\$51,340

1. Automobile operating expenses are scheduled to increase by \$18,040 over actual and estimated expenditures of 1947-48. This increase is partially offset by increased reimbursements for the operation of automobiles on Pittman-Robertson projects. The additional new positions will not account for such a large increase and *we recommend that provision for automobile operation be reduced to \$65,000, a decrease of \$8,040.*

2. Additional automobiles requested total \$42,500. This is caused by the purchase of 10 automobiles for use on Pittman-Robertson projects for which the Division of Fish and Game is reimbursed at the rate of \$0.05 per mile by the Federal Government. Nine new cars are requested

and the number of new employees will not justify the addition of this number. *We therefore recommend that the amount allowed for additional automobiles be reduced to \$36,200, a reduction of \$6,300.*

3. Additional operating equipment is scheduled at \$71,805. Of this amount \$37,000 is to build up a heavy equipment pool; \$11,000 is for house trailers, and \$7,000 for miscellaneous.

We recommend that the amount requested for additional heavy equipment be made available at once as a deficiency to the Division of Fish and Game for the purchase of the heavy equipment from war surplus stocks. This is a reduction of this Budget request of \$37,000.

Licenses

The Bureau of Licenses is the only bureau within the Division of Fish and Game which shows a decrease in requests for support. This is due to a new manner of reimbursing persons who sell fish and game licenses. We commend this bureau for its economy and improved procedures.

For Game Management in Cooperation with the Federal Government from Fish and Game Preservation Fund

Item 265 of the Budget Bill and page 553 of the Budget. The amount requested is \$150,000 from Fish and Game Preservation Fund for expenditure in cooperation with the Federal Government under the Pittman-Robertson program. *The Federal Government provides \$3 for every \$1 expended by the State for experiments and projects in game management.*

Recommendation

The estimated amount of money available from the Federal Government has been increased whereby the Division of Fish and Game should provide \$180,000 for matching money with the Federal Government.

Therefore, we recommend that Item 265 be approved in the amount of \$180,000, an increase of \$30,000.

For the Purchase of Real Property, from the Fish and Game Preservation Fund

Item 266 of the Budget Bill and page 553 of the Budget. The amount requested is \$15,000 from the Fish and Game Preservation Fund for the purchase of sites for four district office buildings.

Recommendation

We recommend that Item 266 be approved in the amount of \$15,000 as requested. We also recommend that the purchase of these sites be done under provision of the Property Acquisition Act.

For Construction, Improvements, Repairs and Equipment from the Fish and Game Preservation Fund

Item 267 of the Budget Bill and pages 553 to 555 of the Budget. The amount requested is \$671,000 from the Fish and Game Preservation Fund for construction, repairs, and equipment.

Recommendation

We recommend that Item 267 be approved in the amount of \$548,000, a reduction of \$123,000. These reductions are composed of the following:

1. We recommend that all residences be delayed until thorough survey has been made of prefabricated houses, similar to the Critchfield houses. These structures have been approved by the Division of Architecture and the cost for a two-bedroom unit is approximately \$5,000. Using \$5,000 as the cost for each unit, the reduction will amount to \$123,000.

2. We further recommend that wherever possible the construction of fencing be delayed because the supply of fencing is very short and the cost excessive.

DEPARTMENT OF NATURAL RESOURCES—WILD LIFE CONSERVATION BOARD

For Support of the Wild Life Conservation Board from the Wild Life Restoration Fund

Item 268 of the Budget Bill and page 557 of the Budget. The amount requested is \$30,801 from the Wild Life Restoration Fund. This is an increase of \$12,754 or 70.7 percent over expenditures of \$18,047 in 1947-48. *This increase is due to the fact that this is a new agency created by the Legislature in 1947 in Chapter 1325, Statutes of 1947, and the board operated but one-half year in 1947-48.*

No new positions are requested and operating expenses are based on a full year of operation and therefore are nearly double the expenditures of 1947-48. All equipment was purchased for the positions created in 1947, so that request for equipment in 1948-49 is nominal.

The Wild Life Conservation Board administers the purchase and construction of fish and game facilities paid for out of Wild Life Restoration Fund.

Recommendation

We recommend that Item 268 be approved in the amount of \$30,801 as requested.

For Construction, Improvements, Repairs and Equipment from the Wild Life Restoration Fund

Item 269 of the Budget Bill and pages 557 and 558 of the Budget. The amount requested is \$3,000,000 and is to be spent for the purchase and development of fish and game preservation areas and facilities. *This money is made available from horse racing license fees by Chapter 1327, Statutes of 1947, and is administered by the Wild Life Conservation Board under the provisions of Chapter 1325, Statutes of 1947.*

The expenditure of this money for capital outlay facilities which are to be maintained by the Division of Fish and Game adds more support expenditures to the already overburdened Fish and Game Preservation Fund, for the money in the Wild Life Restoration Fund can be used only for purchase and construction of fish and game conservation facilities. We call attention to the fact that in the near future fish and game licenses will have to be further increased to meet the costs.

Recommendation

We recommend that Item 269 be approved in the amount of \$3,000,000 as requested.

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF FORESTRY

For Support of the Division of Forestry from the General Fund

Item 270 of the Budget Bill and page 559 of the Budget. The amount requested is \$7,417,491 from the General Fund for support of the Division of Forestry. *This is an increase of \$850,501, or 12.9 percent, over expenditures of \$6,566,990 in 1947-48. Provision is made in this Budget for a change to the 40-hour week on a modified basis which appears to be workable.*

Salaries and wages total \$5,594,477, compared to \$4,744,318 in 1947-48, an increase of \$850,159, or 17.9 percent. The total man-years, including regular and seasonal employees is 1,791.9 in 1948-49, compared to 1,608.2 in 1947-48. Additional regular man-years in the amount of 4.5 are requested. Seasonal man-years total 1,334.2, compared to 1,189.4 in 1947-48. A 40-hour week arrangement has been worked out by the Division of Forestry and the Personnel Board.

Operating expenses show an increase of \$262,922, from \$1,801,620 in 1947-48 to \$2,064,542 in 1948-49.

Equipment is scheduled at \$1,026,604 in 1948-49, compared to \$1,110,816 in 1947-48, *a decrease of \$84,212, or 7.6 percent*, not noteworthy in view of large outlay in 1947-48.

Reimbursements from all sources total \$1,268,132 compared to \$1,089,764, an increase of \$178,368 or 16.4 percent.

Major factors affecting the support budget are:

1. The Division of Forestry will administer and give protection to 22,696,804 acres in 1948-49.

2. Fire protection to agricultural land in the counties is done in the amount of \$717,800. This expenditure is completely reimbursed by the counties.

3. Costs for administration shows an increase of but \$63 over 1947-48 with a *reduction of 2.9 man-years due to a transfer to Conservation Education. One new position is requested to carry the workload created by the annual budget session of the Legislature.*

4. The Conservation Education Program is scheduled to increase from \$28,575 in 1947-48 to \$48,577 in 1948-49, an increase of \$20,002, or 70 percent. *We recommend that \$45,077 of the money provided for conservation education be transferred to the Departmental Administration of the Department of Natural Resources to be used in a coordinated program of conservation education by the Department of Natural Resources.*

We further recommend that the amount requested in the Conservation Education Bureau for a State Fair exhibit not be allowed, a reduction of \$3,500. We recommend that a separate item be set up in the Budget to provide a fund from which all agencies which can justify a fair exhibit can go for such expenses. The money for this fund should be derived from the Fair and Exposition Fund.

5. The costs for *Forest Protection District Headquarters* are scheduled at \$518,792 in 1948-49 compared to \$429,151 in 1947-48, *an increase of \$89,641 or 19.5 percent.*

Salaries and wages increase from \$315,010 in 1947-48 to \$365,383, due to the addition of 7.2 man-years caused by the 40-hour week and \$30,000 for overtime also based on the 40-hour week. A new position of janitor-janitress is requested for half-time work.

It is proposed that an additional pick-up truck and an additional stakeside truck be provided for each district warehouse from which supplies will be distributed to outlying locations. *We recommend that both not be allowed and that the request for the additional automotive equipment be reduced in the amount of \$6,825.*

6. *Field Operations, Field Services.* Salaries and wages for field services are scheduled to increase from \$3,374,514 to \$4,042,032 in 1948-49, *an increase of \$667,518, or 19.8 percent.* This is due to added positions required by the 40-hour week and special arrangements including \$51,864 for overtime of field services and \$258,770 for overtime paid to seasonal summer suppression crews for overtime work.

The increase of regular employees due to the adoption of the 40-hour week is 36.2 man-years. Increase in man-months of summer suppression crews and winter work crews is 1,463 man-months, or 122 man-years.

7. *Field Operation, Forestry Work Camps.* Forestry work camps are scheduled to increase from \$727,437 in 1947-48 to \$765,943 in 1948-49, an increase of \$38,506, or 5.3 percent. Reimbursements from the Youth Authority for subsistence furnished at the work camps total \$46,000, an increase of \$15,500. The increase in the number of personnel is 10 man-months in the classification of fire crew cook. Payments to work crews from the Youth Authority and Department of Corrections are scheduled to increase from \$535,845 in 1947-48 to \$606,370 in 1948-49.

The Division of Forestry should pay only the cost of maintaining the camps for forestry purposes while the Youth Authority should bear that part of the cost which is directly related to the Youth Authority program.

8. *Forestry Management.* Costs in the Bureau of Forestry management are scheduled to *decrease from \$135,363 in 1947-48 to \$127,570 in 1948-49, a decrease of \$7,793.* No new positions are requested.

9. *Range Improvement.* Total expenditures for range improvements are scheduled to increase from \$42,308 in 1947-48 to \$43,510 in 1948-49, an increase of \$1,202. No new positions are requested and operating expenses show a nominal increase.

10. *Maintenance of Improvements.* Total expenditures for maintenance of improvement are scheduled at \$305,048, compared to \$156,757 in 1947-48, an increase of \$148,291, or 94.6 percent. One new position of electrician is requested. Operating expenses show a very material increase from \$81,100 to \$137,668 in 1948-49. Bridge materials increased from \$25,000 in 1947-48 to \$52,000 in 1948-49. Truck trail materials increased from \$10,000 to \$20,000 in 1948-49. Additional automotive equipment in the amount of \$43,980 is requested.

11. *State Nursery.* Expenditures for State Nursery are scheduled to increase from \$16,070 to \$22,765 in 1948-49. This is due to the request for one additional position of laborer \$2,040, increase of operating expenses of \$1,405, and increase in equipment of \$2,700.

We recommend that the position of laborer not be allowed and that a complete study be made of the nursery to determine whether it is economically sound to continue to operate the project.

Recommendations

We recommend that Item 270 be approved in the amount of \$7,308,-659, a reduction of \$108,832.

These reductions are composed of the following:

1. The reserves for anticipated losses of one fire truck and one pick-up truck in each district not be allowed. *This is a reduction of \$51,390.*

If emergencies develop that require immediate replacement of equipment it is encumbent on the Division of Forestry to justify such a request from the Emergency Fund.

2. A reduction in the requested number of trucks for use at the district warehouses. The request is made for one stakeside and one pick-up at each district warehouse. *We recommend that the stakeside trucks be allowed but the pick-ups not be allowed, a reduction of \$6,825.*

3. We recommend that all money requested for a conservation education program be transferred to the Departmental Administration to be used in a coordinated program of conservation in the whole department. *This is a reduction of \$45,077.*

4. We recommend that \$3,500 for exhibits at the State Fair be deleted and that a special item be set up in the Budget to provide exhibits for those agencies which can justify such expenditures. The money for this purpose should be derived from the Fairs and Exposition Fund.

5. We recommend that the position of laborer at the State Nursery not be allowed and that a complete survey be conducted of the operations of the nursery to see if it is economically sound. *This is a reduction of \$2,040.*

6. We recommend that strict accountability for all items of equipment be maintained, for the Division has many pieces of small but valuable equipment which are easily lost or broken.

7. We recommend that savings on the purchase of specific items of equipment be sequestered and returned to the General Fund.

For Allotments to Counties for Forest Fire Protection from the General Fund

Item 271 of the Budget Bill and page 568 of the Budget. The amount requested is \$604,360. This is an increase of \$180,049, or 42.4 percent over actual and estimated expenditures of \$424,311. Of the total of \$604,360, there is an amount of \$115,595 to provide for a 40-hour work week in these counties.

Recommendation

We recommend that Item 271 be approved in the amount of \$598,316, a reduction of \$6,044 or 1 percent in line with our recommendation that Field Services of the Division of Forestry be reduced by 1 percent. The allotments are based on the actual cost which would result if the Division of Forestry protected these lands with their own personnel and equipment.

**For Protection of Private and State-owned Lands and Within
United States Forests**

Item 272 of the Budget Bill and page 568 of the Budget. The amount requested is \$577,833 from the General Fund. This is an increase of \$229,914, or 51.9 percent over the actual and estimated expenditures of \$347,919 in 1947-48. This figure is based on 80 percent of the cost of protection of land by the U. S. Forest Service. The State Division of Forestry is asking to pay 80 percent of the cost for the first time, rather than 55 percent previously charged. The charge is based on the number of acres of private and state-owned lands lying within the boundaries of U. S. forests in the State of California.

Recommendation

We recommend that Item 272 be approved in the amount of \$572,055, a reduction of \$5,778 or 1 percent in line with the reduction in the Division of Forestry budget for protection of lands under its protection.

For Forest Land Survey from the General Fund

Item 273 of the Budget Bill, page 568 of the Budget. The amount requested is \$77,000. *This is a reduction of \$23,000* from actual and estimated expenditures of \$100,000 in 1947-48. This is a three- to four-year program for determining the character, location, volume and growth ratio of timber.

Recommendation

We recommend that Item 273 be approved in the amount of \$77,000 as requested.

For Watershed Research

Item 274 of the Budget Bill and page 568 of the Budget. The amount requested is \$50,000, the same amount estimated to be spent in 1947-48. This program was initiated during the 1947-48 Fiscal Year as a result of Chapter 1415, Statutes of 1947.

Recommendation

We recommend that Item 274 be approved in the amount of \$50,000 as requested. We wish to point out that this program was undertaken because the Federal Government withdrew support from the San Dimas Forest Experimental Station.

We further recommend that the program be reviewed at the end of the 1948-49 Fiscal Year to determine whether it be continued.

For White Pine Blister Rust Control from the General Fund

Item 275 of the Budget Bill and page 568 of the Budget. The amount requested is \$153,125 from the General Fund, to be expended on a matching basis in cooperation with the Federal Government for Pine Blister Rust Control.

Recommendation

We recommend that Item 275 be approved in the amount of \$153,125 as requested. We further recommend that the State of California match any amount that the Federal Government will spend for this purpose, as the return on investment is greater in forest values than any other expenditure made by the State for forest purposes.

For Emergency Fire Suppression from the General Fund

Item 276 of the Budget Bill and page 568 of the Budget. The amount requested is \$500,000 for emergency fire suppression from the General Fund. This is an increase of \$250,000, or 100 percent over actual and estimated expenditures of \$250,000 in 1947-48. This money can be transferred to Item 246 of this act upon the executive order of the Director of Finance.

Recommendation

We recommend that in view of the drought conditions throughout the State of California that this amount be increased by \$250,000, to \$750,000.

For Pine Beetle Control from the General Fund

Item 277 of the Budget Bill and page 568 of the Budget. The amount requested is \$25,000 from the General Fund for pine beetle control, in accordance with Section 4455 of the Public Resources Code. This section provides that when an owner of timber or timber land finds that such timber is infested with pine beetles or other such pests, he shall notify the state foresters who shall investigate and if advisable establish an area of infestation. Expenditures proposed for the 1948-49 fiscal year are \$30,000, with \$5,000 to be reimbursed from the landowners in lieu of services, making a net expenditure of \$25,000.

Recommendation

We recommend that Item 277 be approved in the amount of \$25,000 as requested.

For Purchase of Real Property, from the General Fund

Item 278 of the Budget Bill, to page 568 to 570 of the Budget. The amount requested is \$71,200 from the General Fund for the acquisition of real property. This money can be spent only on the approval of the Department of Finance.

Recommendation

We recommend that Item 278 be approved in the amount of \$71,200 as requested and that this money be expended under the direction of the Property Acquisition Board.

Purchase of State Forests

Item 279 of the Budget Bill, page 570 of the Budget. The amount requested is \$500,000 from the General Fund for the purchase of state forests. There is \$500,000 remaining in the appropriation made by Chapter 146, Statutes of 1946 for the purchase of state forests.

Recommendation

We recommend that Item 279 be reduced to \$5,000 and that no further money be appropriated until the money available in Chapter 146, Statutes of 1946 is expended and the Division of Forestry has a definite plan for further acquisition.

In lieu of the \$500,000 we recommend that \$5,000 be allowed for investigations and the taking of options on land to be acquired for state forests.

For Construction, Improvements, Repairs and Equipment from the General Fund

Item 280 of the Budget Bill and pages 570 to 575 of the Budget. The amount requested is \$128,491 from the General Fund for construction, improvements, and repairs to Forestry facilities and improvements.

Recommendation

We recommend that Item 280 be allowed in the amount of \$128,491 as requested, with the provision that the money be expended only for materials and supplies and that the construction work shall be carried on by the personnel of the Division of Forestry to provide fuller employment during slack seasons. This should provide material savings in labor costs and final costs of these items. Savings, if any, should be set aside and *not spent*.

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF MINES

For Support of the Division of Mines from the General Fund

Item 281 of the Budget Bill and pages 577 to 578 of the Budget. The amount requested is \$313,514 from the General Fund. *This is an increase of \$86,847 or 38.3 percent over actual and estimated expenditures of \$226,667, in 1947-48.*

The major considerations on which the Budget is based are:

(1) The geological staff is to be *doubled* by the addition of three junior geologists to relieve the existing positions of geologists from routine research.

(2) An *increased publication program* is to be conducted together with a continuing program of purchase of technical reports from graduate students doing work in universities and colleges.

(3) All members of the *technical staff* are to spend *more time in the field*.

(4) An increased amount of *laboratory and research work* is to be performed by members of the staff.

Salaries and wages are to increase from \$144,838 in 1947-48 to \$169,553 in 1948-49, an increase of \$24,715. This increase is due to a

request for 6.5 man-years of new positions and general salary increases. The new positions requested are as follows:

1	Intermediate stenographer-clerk	\$2,280
1	Junior stenographer-clerk	1,920
1	Intermediate stock clerk.....	2,160
5	Janitor	1,020
3	Junior geologist	9,648

Operating expenses are scheduled to increase from \$74,292 in 1947-48 to \$120,790 in 1948-49, an increase of \$46,498 or 62.6 percent.

The major item of increase is the increase in the cost of printing maps and bulletins from \$31,150 in 1947-48 to \$59,700 in 1948-49. This increase is due to increases in the cost of printing, a desire on the part of the Division of Mines to increase the size of certain editions from 1,000 to 2,000 copies, a 100 percent increase, an increased number of reports, and increased size of present reports due to the publication of the technical reports purchased and the publication of reports made by the U. S. Geological Survey in cooperation with the Division of Mines.

It is estimated that \$10,602 will be spent in 1947-48 for the purchase of technical reports by the Division of Mines and \$10,000 is requested for the same purpose in 1948-49.

Equipment requests total \$23,171 compared to \$7,537 in 1947-48. This increase contains provisions for office equipment for the new positions requested, purchase of new laboratory equipment, and the purchase of a fair exhibit.

Recommendations

We recommend that Item 281 be approved in the amount of \$271,976, a reduction of \$41,538 or 13.2 percent. These reductions are composed of the following items:

Salaries and Wages

1 Junior stenographer-clerk—\$1,920

We do not believe that the subscriptions and sale of reports of the Division of Mines will reach the figure estimated. Therefore, the workload will not justify the addition of this position to take care of mailing lists.

1 Intermediate stock-clerk—\$2,160

The request for this position was based on a need to assist the existing position of storekeeper in straightening up the stock of publications. This should be a temporary job, and the one position now allowed should be able to maintain the stockroom in an orderly condition. Therefore, we do not recommend the establishment of this position.

1 Junior geologist—\$3,216

There are now three positions of geologist in the division. This would double the staff, and such an increase is not warranted at this time. Therefore, we recommend that this position not be allowed.

Operating Expenses

Printing of bulletins and maps—\$19,700

The amount requested is excessive in the light of previous experience. In 1947-48, \$31,150 was spent for printing bulletins and maps during which time the program of purchasing and publishing technical reports written by graduate students in colleges and universities was in operation. The individual cost of printing extra copies of the bulletins and maps is low and would justify the expenditure to bring the number of copies of reports to 2,000 instead of 1,000 providing a real effort is made to dispose of the publications.

Travel—\$2,965

The request for 1948-49 is almost three times the actual expenditures of 1946-47. This increase is excessive, and the amount requested should be reduced to \$12,000, a reduction of \$2,965.

Mileage—\$1,010

The increase in mileage requested is 128 percent over 1947-48. This increase is excessive and should be reduced to \$7,000.

Freight, cartage and express—\$200

Experience does not warrant an increase of 50 percent in the request for freight, cartage and express. We, therefore, recommend a reduction of \$300, allowing an increase of 30 percent over 1947-48.

Laboratories—\$2,490

The Division of Mines in place of setting up and operating a research laboratory should make use of research facilities available to them in the University of California and elsewhere. We therefore, recommend that the request for laboratory expenses be reduced to \$500, a reduction of \$2,490.

Equipment

Automobile, additional—\$1,500

The deletion of the one position of junior geologist will reduce the requirements for automobile equipment, and we therefore recommend that one of the additional automobiles not be allowed.

If pick-up trucks are more satisfactory to operate than passenger cars, we recommend that the Division of Mines replace the passenger cars now in operation with pick-up trucks.

Exhibits—\$867

The request for additional exhibits is excessive and should be reduced to \$1,000.

Laboratories—\$2,425

The creation of a complete laboratory in the Division of Mines is not justified because of the existence of geology laboratories in the vicinity of San Francisco, which could be made available to the Division of Mines.

We recommend that this item be reduced to \$1,000.

Office, additional—\$535

Due to the recommended deletion of three positions requested, the equipment should be reduced by the amount of \$535.

Fair, exhibit—\$1,550

We recommend that a separate item be set up in the Budget Bill to provide funds for fair exhibits for all state departments which can justify such expenditures and that the money be taken from the Fairs and Exposition Fund.

Field—\$1,000

The request for additional field equipment is to purchase equipment for employees of the Division of Mines, which have heretofore been furnished by the employees, and to provide additional cameras and surveying equipment. The existing equipment should be adequate. We recommend that this amount be reduced to \$1,025.

Revenues

We believe that the estimate of the Division of Mines that revenues from the sale of publications will reach \$20,000 in 1948-49 is too high and we recommend in the light of previous experience, that this figure be set at \$15,000.

For Other Current Expenses of the Division of Mines from the General Fund

Item 282 of the Budget Bill and page 578 of the Budget. The amount requested is \$50,000 for geological exploration in cooperation with the United States Geological Survey. This is the same amount allowed in 1947-48 and in 1946-47. The United States Geological Survey will provide an equal amount.

Recommendation

We recommend that Item 282 be approved in the amount of \$50,000 as requested.

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF OIL AND GAS

For Support of Division of Oil and Gas, a Special Fund Agency, Department of Natural Resources, from the Petroleum and Gas Fund

Item 283 of the Budget Bill and pages 579 to 580 of the Budget. The amount requested is \$351,934 for support. This is an increase of \$20,625, or 6.2 percent over actual and estimated expenditures of \$331,309 for 1947-48.

The Division of Oil and Gas is extending well inspection service to a 24-hour basis at the request of the petroleum industry. This service is to go into operation January 1, 1948, and will necessitate the employment of seven additional junior oil and gas engineers for the six months remaining in the 1947-48 Fiscal Year. These people will be employed for the full year, 1948-49. By employing these engineers during the 1947-48 Fiscal Year, the positions will appear as established positions

in 1948-49. Most of the equipment also will be purchased during the 1947-48 Fiscal Year at the time the positions are established.

This is a program involving additional personnel and expenses which has never received the prior approval of the Legislature. The program has been requested by the petroleum industry which bears the cost of the Division of Oil and Gas through assessments in the industry.

Recommendation

We recommend that Item 283 be approved in the amount of \$351,934 as requested.

Assessments

The petroleum industry pays for the support of the Division of Oil and Gas by assessments on petroleum and gas production into the Petroleum and Gas Fund. Chapter 38, Statutes of 1947 provided a new formula for financing the division and allows the assessments on the petroleum industry to be based on the estimated Budget of the division. The law further provides that the assessments shall be large enough to cover the estimated expenditures and to maintain a reserve of \$50,000 in the Petroleum and Gas Fund. The assessments for 1948-49 provide for enough money to cover the estimated cost of operation and to maintain the \$50,000 surplus.

DEPARTMENT OF NATURAL RESOURCES—MARINE RESEARCH COMMITTEE

For Support of Marine Research Committee from the Fish and Game Preservation Fund

Item 284 of the Budget Bill and page 581 of the Budget. The amount requested is \$97,500 from the Fish and Game Preservation Fund. This is an increase of \$48,750 or 100 percent over actual and estimated expenditures of \$48,750 in 1947-48.

This is an activity authorized by the Legislature in 1947, Chapter 1276. The money is derived from a 50 cents a ton privilege tax on sardines and is to be used for research in marine fisheries. The work of the Marine Research Committee should be done in close cooperation with the Marine Fisheries Bureau of the Division of Fish and Game with the University of California through Scripps' Institute of Oceanography at La Jolla, and the Pacific Marine Fisheries Commission.

Recommendation

We recommend that Item 284 be approved in the amount of \$97,500 as requested.

PACIFIC MARINE FISHERIES COMMISSION

For Expenses of the Pacific Marine Fisheries Commission

Item 285 of the Budget Bill and page 582 of the Budget. The amount requested is \$11,000 from the General Fund for the expenses of the Pacific Marine Fisheries Commission. *This is the same amount that was estimated to be spent in 1947-48.*

The Pacific Marine Fisheries Commission was approved by the Legislature in 1947 by Chapter 1447, Statutes of 1947, and \$11,000 was set as California's share of the expenses for the support of that commission.

Recommendation

We recommend that Item 285 be approved in the amount of \$11,000, as requested.

PROFESSIONAL AND VOCATIONAL STANDARDS—DEPARTMENTAL ADMINISTRATION

The budget for Departmental Administration of the Department of Professional and Vocational Standards appears on pages 583 and 584 of the budget document. The amount of \$84,968 is requested for support for the 1948-49 Fiscal Year. This is an increase of \$11,455 or 15.6 percent over the actual and estimated expenditures of \$73,513 for 1947-48.

This increase results principally from the anticipation that the position of assistant administrative advisor will be filled for a full year as compared to a half year during 1947-48, and the equivalent of one more man-year will be reflected for intermediate stenographer-clerk positions due to a full-time filling of these positions during the 1948-49 Fiscal Year. The remainder of the increase is attributable to normal salary increases plus the increased cost of services and materials.

There is no direct appropriation for support of this organization since the necessary funds are obtained from assessments against the several agencies in the Department of Professional and Vocational Standards.

Recommendation

We recommend approval of this Budget in the amount of \$84,968 as submitted.

We also recommend that the Department of Finance be charged with the responsibility for creation of a central pool of commonly used office equipment such as typewriters, adding machines, desks, tables and files, which can be used by the various agencies of state government to meet seasonal peak loads. This action would eliminate the present necessity for the purchase of equipment required to meet the peak workloads in each state agency and would eliminate the present condition under which such equipment stands idle or is held in reserve during the greatest part of the year. The support of such a central pool would be similar to an automobile pool and could be furnished by an appropriation for support made to the Department of Finance or by a plan of financial reimbursement in the form of rentals to be paid to the Department of Finance by agencies using equipment from the pool. It would be an integral part of this plan that the Department of Finance should maintain the equipment in proper working condition, by having the necessary repairs and cleaning of the machines done during idle time. It is probable that, if the Department of Finance obtains a report of equipment held by the agencies of state government for use primarily at peak periods, more than enough equipment will be available to start