

**DEPARTMENT OF AGRICULTURE—GENERAL FUND**

*For Support of the Department of Agriculture from the General Fund*

Item 39, pages 5 and 6 of the Budget Bill, and pages 41 to 61 of the Budget. The amount requested is \$4,321,638 for support from the General Fund. This is an increase of \$262,458 or 6.4 percent over the amount estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages		43
Positions now authorized-----	\$95,073	
Proposed new positions-----	44,088	
Reclassifications-----	4,481	
Decreased salary savings-----	39,919	
Total, salaries and wages-----	\$183,561	
Operating expenses-----	102,476	43
Equipment-----	-5,983	43
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	\$280,054	
Reimbursements:		
Services rendered to:		
Department of Agricultural Fund-----	-\$5,207	43
Trust funds (Marketing Program)-----	-2,899	43
Marketing programs trust funds-----	-11,290	43
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	-\$19,396	
Budgeted increase for new or expanded service:		
Fairs and exhibits		
Salaries and wages:		
Seasonal and temporary help-----	\$800	44
Operating expenses:		
Exhibits, supplies and material-----	1,000	44
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	\$1,800	

*Recommendations*

<i>Appropriation</i>	<i>Amount budgeted</i>	<i>Legislative Auditor's recommendations</i>	<i>Reduction</i>
Support of the Department of Agriculture from the General Fund-----	\$4,321,638	\$3,175,778	\$1,145,850
Department of Agriculture programs for pest and disease control and eradication from pari-mutuel taxes-----	-----	864,564	+864,564 (Increase)

*Analysis*

*We recommend that the programs of the Department of Agriculture for pest and disease control be financed from license fees—horse race meetings. These activities are as follows:*

<i>General Fund</i>	<i>Actual 1947-48</i>	<i>Estimated 1948-49</i>	<i>Proposed 1949-50</i>
Destruction and control of beet leaf hoppers and host plants-----	\$97,488	\$109,343	\$112,881
Grape leaf skeletonizer eradication	114,803	143,771	135,060
*Mexican bean beetle eradication-----	118,085	180,386 *	228,413
Citrus white fly eradication-----	9,326	19,245	19,628
Quick decline of citrus-----	24,423	28,410	32,092
Bovine brucellosis-----	173,662	441,176	471,790
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	\$607,787	\$922,331	\$999,864

\* \$35,622 transferred from emergency pest disease control and eradication in 1948-49.

It is important that the General Fund disbursements be kept at a minimum during the 1949-50 Budget Year. We, therefore, recommend all disease and pest control programs be financed from pari-mutuel taxes. This procedure will reduce the Department of Agriculture General Fund requirements for the 1949-50 Fiscal Year by \$999,864.

The following are the principal activities comprising the increase in proposed expenditures:

	<i>Amount</i>	<i>Percentage increase</i>
Mexican bean beetle suppression-----	\$48,027	14.2
Bureau of plant quarantine-----	25,937	26.6
Livestock disease control-----	66,389	6.9
Bovine brucellosis control-----	30,614	3.8
Bureau of Meat Inspection-----	17,842	11.4
Bureau of Market News-----	15,629	3.1
Bureau of Fruit and Vegetable Standardiza- tion-----	23,147	6.9
Other increases-----	57,822	---
Less decreases-----	-22,949	---
<b>Total-----</b>	<b>\$262,458</b>	

It has been necessary to expand the program for the suppression of the Mexican bean beetle because of the discovery, in August, 1948, of three new infestations in the vicinity of Hueneme, Ventura County. These infestations are five miles south of the nearest previously recorded infestation.

The increased amounts required are as follows:

	<i>Amount</i>
Salaries and wages-----	\$18,798
Operating expenses, chiefly insecticides-----	28,329
Equipment, replacement-----	900

The funds requested are essential if the program for the suppression of this pest is to be successfully prosecuted.

Additional funds are required by the Bureau of Plant Quarantine because of the increase in California of travel and shipping. Agricultural imports which dropped to nothing during the war are increasing steadily. There has been an enlargement of dockage areas and landing facilities for airplanes. The budget increases requested are as follows:

	<i>Amount</i>
Salaries and wages-----	\$22,565
Operating expenses-----	260
Equipment-----	3,112

These increases seem reasonable and necessary for the proper functioning of the plant inspection service.

The Bureau of Livestock Disease Control was understaffed during the war period and as a result some of the essential tuberculin testing work was deferred. Since the war the bureau has been unable to employ all veterinarians needed and as a result tuberculin testing is not yet on a current basis.

The budget increases provide for:

	<i>Amount</i>
Salaries and wages-----	\$34,854
Operating expenses-----	30,685
Equipment-----	850

The Bovine Brucellosis Control program was authorized by Chapter 1460 of the 1947 Statutes. This program was handicapped by inability to obtain sufficient vaccine during the current year due to manufacturing difficulties. The actual vaccination of calves is done by contract veterinarians. The request for the budget year includes the following increases:

	<i>Amount</i>	
Salaries and wages -----	\$7,964	
Operating expenses -----	20,320	
Equipment -----	2,280	

There is considerable agitation for the repeal of the Bovine Brucellosis Control program as it applies to beef type calves. *We recommend that the request be reduced to an amount sufficient to provide bovine brucellosis control for dairy type calves only, a saving of approximately \$135,300 during the 1949-50 Fiscal Year.*

The amount requested for expanded service in fairs and exhibits is to provide a sum of \$800 for temporary help at the location of the exhibits and a further sum of \$1,000 for additional exhibit material. The use of exhibits is to acquaint the public with the activities and services of the Department of Agriculture, in accordance with Section 33 of the Agriculture Code which reads, in part, as follows:

"The department \* \* \* may exhibit or display such data and material as have been collected or prepared, and may incur expenses necessarily incidental thereto."

Since this provision of the statute is permissive, we recommend in the interest of economy that the request for fairs and exhibits be eliminated, a reduction of \$7,686 in salaries and wages, and \$3,000 in exhibit supplies and materials.

***For Support of Federal Cooperative Marketing Research***

Item 40, page 6 of the Budget Bill, and pages 58 through 60 of the Budget. The amount requested is \$90,000 for cooperation with the Federal Government in marketing research from the General Fund. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Bureau of Agricultural Statistics -----	\$-123	59
Bureau of Markets -----	-67	59
Bureau of Market News -----	No change	59
Bureau of Fruit and Vegetable Standardization -----	No change	60
Bureau of Rodent and Weed Control and Seed Inspection -----	-2,040	60
Unallocated, anticipated expansion of existing projects and/or new projects -----	2,230	60
Budgeted increase for new or expanded service:		
None -----		

***Recommendations***

Amount budgeted -----	\$90,000
Legislative Auditor's recommendations -----	\$90,000
Reduction -----	None

*Analysis*

In our analysis of the 1947-48 Budget Bill, we pointed out that some of the 38 new positions, requested by the Department of Agriculture to be paid for out of the General Fund, and the operating and equipment expenses associated with the positions, would undoubtedly qualify as matching money relative to Public Law 733, passed August 14, 1946. We recommend this appropriation with the provision that such funds as are applicable for matching federal funds be made available by the Director of Finance only as federally approved projects are established permitting these funds to qualify.

Federal reimbursement under this cooperative provision amounted to \$5,734 during the Fiscal Year 1947-48 and is estimated at \$79,090 so far for the Fiscal Year 1948-49.

**For Emergency Pest Control and Eradication from the General Fund**

Item 41, page 6 of the Budget Bill and page 60 of the Budget. The amount requested is \$100,000 for additional support for emergency pest and disease control and eradication, from the General Fund.

*Recommendations*

<i>Appropriation</i>	<i>Amount budgeted</i>	<i>Legislative Auditor's recommendations</i>	<i>Reduction</i>
For emergency pest and disease control from the General Fund -----	\$100,000	-----	\$100,000
For emergency pest and disease control from the pari-mutuel taxes -----	-----	\$500,000	+\$500,000 (Increase)

*Analysis*

The amount of \$100,000 was appropriated for emergency pest and disease control and eradication in the 1948-49 Fiscal Year. During the year 1948-49 the amount of \$35,622 has been transferred to support appropriation of the Department of Agriculture for Mexican Bean Beetle Suppression.

The report of the Legislative Auditor to the 1948 California Legislature pointed out that "provision should be made in a permanent way for meeting emergencies of this type without the necessity of going to the emergency fund," and recommended that this fund be established in the amount of at least \$500,000 from license fees on pari-mutuel horse race betting. We renew this recommendation and suggest that a revolving fund in the amount of \$500,000 be established out of revenues accruing from pari-mutuel horse race tax for the purpose of financing all emergency programs for pest and disease control and eradication that arise when the Legislature is not in session.

This fund should be placed directly under the control of the Director of Agriculture, subject to the approval by the Director of Finance of all expenditures therefrom. It is proposed that this should be a permanent fund to be replenished annually by transfer by the Controller from pari-mutuel horse race tax of a sum sufficient to restore the fund to the original sum.

**For Control and Eradication of Pullorum Disease from the General Fund**

Item 42, page 6 of the Budget Bill and page 60 of the Budget. The amount requested is \$85,000 from the General Fund for control and eradication of pullorum disease of poultry. This is the same amount as

included in the 1948-49 Budget and provides for a continuation of the program initiated by Chapter 1179, Statutes of 1947, which provides:

"It is the policy of the Legislature to assist poultry farmers in this State in the control and eradication of pullorum disease, an infectious disease of poultry which has caused severe losses among baby chicks and turkey poults within this State and has hampered the sale of hatching eggs, baby chicks and turkey poults produced by the poultry industry in this State by reason of the requirements for testing for pullorum disease enacted or made effective in other states to which California poultry products are normally shipped."

<i>Recommendations</i>	<i>Amount budgeted</i>	<i>Legislative Auditor's recommendations</i>	<i>Reduction</i>
For control and eradication of pullorum disease from the General Fund	\$85,000	-----	\$85,000
For control and eradication of pullorum disease from pari-mutuel taxes	-----	\$85,000	+\$85,000 (Increase)

*Analysis*

In accordance with our recommendations that programs for pest and disease control be financed from license fees, horse race meets, it is suggested that the amount required for this program be appropriated from pari-mutuel taxes.

This request amounts to a subsidy to the poultry industry to assist in the eradication of this disease and represents roughly the administrative cost of the program. The remaining cost is paid from fees levied upon industry members participating in the program. The amount of these fees is determined by the Poultry Improvement Advisory Board.

Testing is done at four laboratories under the supervision of the Poultry Improvement Advisory Board. The tests are made entirely at the expense of the flock owner. The administrative expenses of the Poultry Improvement Advisory Board for the fiscal year ended July 31, 1949, are estimated at \$182,080. The amount to be raised by assessments and fees is estimated at \$97,080.

We also recommend that the State consider taking over this function and making it self-supporting if possible.

*For Maintenance and Repairs to Border Quarantine Stations and Fruit and Vegetable Standardization Stations from the General Fund*

Item 43, page 6 of the Budget Bill and page 60 of the Budget. The amount requested is \$15,640 for support from the General Fund. The Budget Act provisions under the two titles "Repairs and Improvements at Border Quarantine Stations," and "Repairs and Improvements at Fruit and Vegetable Standardization Stations" amounted to \$42,820 for the 1948-49 Fiscal Year. The amount requested for repairs and maintenance is a decrease of \$27,180 or 63.5 percent from the amount estimated to be expended in the 1948-49 Fiscal Year for repairs and improvements.

*Recommendations*

Amount budgeted -----	\$15,640
Legislative Auditor's recommendations -----	\$15,640
Reduction -----	None

*Analysis*

The proposed appropriation covers repairs and maintenance for border quarantine stations and fruit and vegetable standardization stations. These items appear to be necessary for the proper maintenance of the stations and the proposed cost seems reasonable.

**DEPARTMENT OF AGRICULTURE FUND**

*For Support of the Department of Agriculture from the Department of Agriculture Fund, a Special Fund Agency*

Item 44, pages 6-7 of the Budget Bill and pages 61 to 74 of the Budget. The amount requested is \$3,354,967, an increase of \$183,019 or 5.7 percent over the amount estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Division of Plant Industry -----	\$44,091	64
Division of Animal Industry -----	45,223	65
Division of Marketing -----	93,705	69
<b>Total, expenditure increase -----</b>	<b>\$183,019</b>	<b>61</b>
Revenues—General Fund		
Departmental Administration -----	—\$400	69
Division of Plant Industry -----	500	70
Division of Animal Industry -----	2,604	70
Division of Marketing -----	5,710	70
	<u>\$8,414</u>	
Revenues—Department of Agricultural Fund		
Division of Plant Industry -----	\$32,825	71
Division of Animal Industry -----	20,010	72
Division of Marketing -----	65,225	72
	<u>\$118,060</u>	
<b>Total revenue increase -----</b>	<b>\$126,474</b>	<b>74</b>

*Recommendations*

Amount budgeted -----	\$3,354,967
Legislative Auditor's recommendation -----	\$3,354,967
<b>Reduction -----</b>	<b>None</b>

*Analysis*

The revenue for the self-supporting activities of the Department of Agriculture comes from license fees, assessments and inspection fees.

There has been an increase in the demand for price stabilization measures authorized under ensuing marketing laws. During the coming year it is probable that the instability of agricultural prices will result in an unprecedented expansion of marketing agreements.

The increase of \$44,091 in the appropriation for the Division of Plant Industry is 7.9 percent more than the estimated expenditures for the 1948-49 Fiscal Year. Most of the additional sum provides for increased work load for the Bureau of Chemistry in analyzing commercial fertilizers, agricultural minerals and economic poisons, and reflects the increase in the amounts of these materials being sold.

The increase of \$45,233 for the Division of Animal Industry is 9.7 percent more than the amount estimated to be expended in the 1948-49 Fiscal Year. Most of this increase is in the Bureau of Livestock Identification. Ten brand inspectors were reemployed in November, 1948, in order to provide for vacation and sick relief and reduce the work hours of the inspectors to 40 hours per week. This enlarged budget does not give full point of origin inspection desired by the industry and increased fees are necessary to pay for this full service.

The increase of \$93,705 for the Division of Marketing is 4.3 percent above the amount estimated to be expended in the 1948-49 Fiscal Year. The additional amounts are necessary because of the increased work load in Bureau of Milk Control, Canning Tomato Inspection and Bureau of Shipping Point Inspection.

### POULTRY IMPROVEMENT COMMISSION

#### *For Support of the Poultry Improvement Commission from the Poultry Testing Project Fund*

Item 45, page 7 of the Budget Bill and pages 75 and 76 of the Budget. The amount requested is \$56,520 from the Poultry Testing Project Fund, a special fund. This is an increase of \$23,057 or 69 percent over the amount of \$33,463 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages		
Normal salary increases -----	\$5,459	75
Elimination of overtime -----	—500	75
Decrease in salary savings -----	500	75
Operating expense -----	5,488	75
Equipment replacement -----	1,000	76
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Reimbursements—rent of living quarters-----	\$11,947	
	—300	75
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Total -----	\$11,647	
Budgeted increase for new or expanded service:		
Salaries and wages		
Poultry assistant -----	\$2,160	75
Operating expenses		
Cash awards -----	1,000	75
Feed -----	7,000	76
Equipment		
Farm—additional -----	1,250	76
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Total -----	\$11,410	

#### *Recommendations*

Amount budgeted -----	\$56,520
Legislative Auditor's recommendations-----	\$56,520
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Reduction -----	None

#### *Analysis*

The Budget Act for the Fiscal Year 1948-49 provided a total of \$51,773 for the support of the Poultry Improvement Commission. (Items 48 and 49 of the 1948 Budget Act.) However, the actual and estimated expenditures for support during 1948-49 will total \$33,463 or \$18,310 less

than the amount authorized. This is due to the fact that the commission has been unable to complete construction of buildings expected to be finished in the current fiscal year. As a result the poultry testing program has not been expanded to the extent previously approved by the Legislature.

The \$56,520 estimated expenditure for the 1949-50 Fiscal Year is \$4,747 or 9.2 percent above the \$51,773 expenditures for support authorized in the 1948-49 Budget Act. This budgeted expansion will again depend upon the completion of additional facilities.

The increase in salaries and wages provides for the filling of all of the eight positions previously authorized by the Legislature. It is expected that seven positions will be filled in March, 1949, and that eight employees will be required during 1949-50.

Increases in operating expenses resulting from establishment of a random sample egg laying test and a meat production test were also part of the expanded program previously approved by the Legislature.

Total revenues from entry fees, sale of eggs and poultry, and miscellaneous sources is estimated to be \$28,652 for the 1949-50 Fiscal Year. This is an increase of \$13,852 over 1948-49. The estimated unbudgeted surplus in the Poultry Testing Project as of June 30, 1950, will be \$25,000.

We believe the results obtained from this type of project are proving to be of substantial benefit to the poultry industry of the State.

*For Augmentation of the Poultry Testing Project Fund Payable from Moneys in the Fair and Exposition Fund*

Item 46, page 7 of the Budget Bill and page 76 of the Budget. The amount requested is \$15,825 from the Fair and Exposition Fund. This is a decrease of \$14,586 or 48 percent from the additional support appropriation from the Fair and Exposition Fund for the 1948-49 Fiscal Year.

*Recommendations*

Amount budgeted .....	\$15,825
Legislative Auditor's recommendations.....	\$15,825
Reduction .....	None

*Analysis*

For the 1948-49 Fiscal Year the amount of \$30,411 was transferred from the Fair and Exposition Fund for additional support of the Poultry Testing Project Fund. For the current fiscal year the amount of \$15,825 is requested as a transfer to the Poultry Testing Project Fund. All estimated expenditures are included under Item 45 of the Budget Bill. The unbudgeted surplus of the Poultry Testing Project Fund as of June 30, 1950, is estimated at \$25,000.

**SOIL CONSERVATION COMMISSION**

*For Support of the Soil Conservation Commission from the General Fund*

Item 47, page 7 of the Budget Bill and page 77 of the Budget. The amount requested is \$37,791 for support from the General Fund, an

increase of \$23,109 or 157 percent over the amount of \$14,682 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salary and wages		
Regular increase -----	\$412	77
Temporary help -----	650	77
Operating expenses -----	2,503	77
Equipment -----		
Total -----	<u>\$3,565</u>	
Budgeted increase for expanded service:		
Salaries and wages		
Two field representatives -----	\$9,480	77
Operating expenses -----	4,490	77
Equipment -----	5,574	77
Total -----	<u>\$19,544</u>	
Total Increase -----	<u>\$23,109</u>	

*Recommendation*

Amount budgeted -----	\$37,791
Legislative Auditor's recommendations -----	28,019
Reduction -----	<u>\$9,258</u>

*Analysis*

The purpose of the Soil Conservation Commission is to investigate and approve soil conservation districts as a prerequisite to receiving federal soil conservation funds. At the present time, there are 54 districts in the State, 10 of them inactive, and it is estimated that 12 additional new districts will be formed during the fiscal year budgeted.

The increase proposed for 1949-50 includes \$9,480 for two additional positions of field representative. The Soil Conservation Commission desires these positions in order to improve the service rendered to prospective and existing soil conservation districts. In addition to the commission's function of investigating new districts, it serves as the source of information as to the method of qualifying for federal funds and acts as a consultant on numerous problems facing districts such as securing machinery; obtaining contracts, and arranging meetings. *Although this type of consultation service is not required in order that the districts may qualify for federal funds, the commission maintains that it is largely instrumental in making soil conservation districts more effective.*

Soil Conservation Commissions in other states have obtained greater benefits in erosion control and conservation of water resources by inclusion of the entire area of the State within soil conservation districts. The California Soil Conservation Commission is now in process of preparing a master plan for the State. This plan will aid in determining the boundaries of additional districts, with a view to broadening the scope of the soil conservation program to include the entire area of the State.

*The extent to which the Soil Conservation Commission should furnish consultation service to soil conservation districts over and above the amount actually required to qualify for federal assistance should be largely determined by the activity shown by soil conservation districts*

during the budgeted fiscal year. Many of the districts are not sufficiently active and at least ten of the fifty-four are quite inactive. The service rendered should be critically reviewed in the next Budget to determine its effect upon the condition of the various soil conservation districts. There should also be demonstrated a greater degree of coordination between the farm advisers in the counties and the efforts of the Soil Conservation Commission.

We recommend approval of one of the two proposed new positions of field representatives. This would result in a saving of \$4,740 in salary, \$2,273 in equipment, and approximately \$2,245 in operating expense for the 1949-50 Fiscal Year. Should technological assistance be required by the soil conservation districts beyond the capacity of the staff of the commission, the commission should be permitted to supply qualified personnel on a reimbursement contract with the conservation districts.

### DEPARTMENT OF CORRECTIONS—DEPARTMENTAL ADMINISTRATION

#### *For Support of Departmental Administration, Department of Corrections, from the General Fund*

Item 48, pages 7 and 8 of the Budget Bill and pages 78 through 81 of the Budget. The amount requested is \$229,487 from the General Fund for support of Departmental Administration, Department of Corrections. This is an increase of \$30,475 or 15.3 percent over the amount of \$199,012 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages -----	\$16,157	78
Operating expense -----	—3,598	79
Equipment -----	1,818	79
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	\$14,377	
Reimbursements (subtract) -----	+215	
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	\$14,162	
Budgeted increase for new or expanded service:		
Salaries and wages -----	\$12,270	78
Operating expense -----	1,698	79
Equipment -----	2,350	79
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Total -----	\$16,313	

#### *Recommendations*

Amount budgeted -----	\$229,487
Legislative Auditor's recommendations -----	\$200,027
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Reduction -----	\$29,460

#### *Analysis*

The above recommended reduction of \$29,460 consists of the deletion of 7 of the 10 proposed new positions with corresponding adjustments