

ANALYSIS

This item, together with \$28,000 contained in the support budget of the administrative division of the San Francisco Harbor Commission, represents an expenditure of \$78,000 for advertising and publicity purposes. In view of the constantly increasing competition from other West Coast ports, as well as from Gulf ports, we recommend approval of this item as a necessary expenditure towards the increasing of tonnage handled by the Port of San Francisco.

ITEM 508 of the Budget Bill

Budget page 971
Budget line No. 54

For Construction, Repairs and Improvements and Equipment of San Francisco Harbor, Payable From the San Francisco Harbor Improvement Fund

Amount requested	\$257,000
Estimated to be expended in 1949-50 Fiscal Year.....	332,500
Decrease (22.7 percent)	\$75,500

RECOMMENDATIONS

Amount budgeted	\$257,000
Legislative Auditor's Recommendation.....	257,000
Reduction	None

ANALYSIS

The amount of \$332,500, which is estimated to be expended in the 1949-50 Fiscal Year, represents a deficiency increase of \$195,000 over the sum of \$137,500 which was appropriated by Item 393 of the Budget Bill of 1949. This deficiency increase was made necessary by certain unexpected and emergency items which arose during the current Fiscal Year.

The item as requested contains the sum of \$200,000 for the reconstruction of Pier 18, which it is anticipated will be leased for a specialized type of operation and one which it is believed will result in a very good rate of return for the additional investment. There is also an item of \$7,000 for a refrigeration unit in the Foreign Trade Zone, which is made necessary because of certain types of commodities which seek entry through this specialized zone. The balance is for minor emergency construction. We recommend approval of this item.

BUDGETARY CONTROL SECTIONS

Section 3, page 89 of the Budget Bill. This section is designed to overcome a technical question which has been raised by the Controller with respect to the availability of the appropriations mentioned. We recommend approval.

Section 3.1, page 89 of the Budget Bill. This section provides for continuing the availability beyond June 30, 1950, of those sums of money which are in the Architectural Revolving Fund, or which have been allocated by the Public Works Board, and which were originally appropriated out of the Postwar Employment Reserve. Without this provision any such sums of money which will not have been actually obligated or encumbered by contract as of June 30, 1951, would revert to the General Fund in accordance with the provisions of Chapter 145, Statutes of 1946.

This section provides for making these moneys available for a three-year period following June 30, 1951, and for the reversion of any unexpended balances into the General Fund, or into the appropriate special fund as the case may be, at the end of the three-year period. We recommend approval of this section.

Section 3.2, page 90 of the Budget Bill. This section is for the purpose of assuring that the procedure relating to Public Works Board approval as contained in Chapter 145, Statutes of 1946, will also apply to the appropriations which were transferred into the Postwar Employment Reserve by the 1948 Budget Act. We recommend approval.

Section 3.3, page 90 of the Budget Bill. This section is for the purpose of accelerating the reversion of unexpended balances in the appropriations named in the section to the General Fund. Most of the appropriations involved were for site acquisitions. We recommend approval.

Section 4, page 90 of the Budget Bill. This provides that all items for capital outlay in excess of \$10,000 shall be subject to approval by the Public Works Board. We recommend approval.

Section 5, page 90 of the Budget Bill. This section restricts expenditures from appropriations made in the Budget Act to object categories set forth in the Budget Act and the Governor's Budget except as specifically provided in other sections of this act. This is similar to a provision in prior Budget Acts. We recommend approval.

Section 6, page 91 of the Budget Bill. This section provides that the Director of Finance may, upon request of any state agency to which appropriation is made in the Budget Act, authorize augmentation of the amount available for expenditure for an object category designated in any schedule set forth for such appropriation in the Budget Act by transfer from any other object category within the same schedule. The amount of each of such authorizations shall be presented in a report to the Joint Legislative Budget Committee. We recommend approval.

Section 7, page 91 of the Budget Bill. This section permits the Director of Finance to augment appropriations in the Budget Act when additional amounts are received from local or federal government agencies or other sources, which are in excess of the amount considered in determining such an appropriation. It likewise permits the Director of Finance to reduce appropriations in the same manner. We recommend approval.

Section 8, page 92 of the Budget Bill. This section is similar to Section 6.5 which was amended into the Budget Bill of 1949 by the Legislature and is intended to assure the reversion into the fund from which the appropriation was made the unexpended amounts from each item of construction contained in this Budget Act, upon completion of the project. We recommend approval.

Section 9, page 92 of the Budget Bill. This section permits the payment of premiums for bonds covering a period in excess of one fiscal year. This will permit a saving in the amount required for certain bonds. We recommend approval.

Section 10, page 92 of the Budget Bill. This is a provision relating to expenditures made by the Legislature and is similar to a provision contained in the Budget Act of 1949. We recommend approval.

Section 11, page 92 of the Budget Bill. This section requires that the State Engineer shall make a report as to the engineering and economic

feasibility of projects subject to the Flood Control Fund Act of 1946 and that reallocation of funds shall be made by the Water Resources Board. It also provides that the Water Resources Board shall determine the amounts of the reallocation. This is similar to Section 9 in the Budget Act of 1949. We recommend approval.

Section 12, page 92 of the Budget Bill. This provision relates to payments by the State Controller from amounts appropriated in the Budget Act. It is similar to a provision contained in the Budget Act of 1949. We recommend approval.

Section 13, page 93 of the Budget Bill. This provision relates further to methods of making payments from appropriations in the Budget Act and is similar to a provision in the 1949 Budget Act. We recommend approval.

Section 14, page 93 of the Budget Bill. This is similar in purpose to a provision in the 1949 Budget Act, and relates to accounting procedure. We recommend approval.

Section 15, page 94 of the Budget Bill. This is similar to a section in the 1949 Budget Act providing additional budgetary controls. We recommend approval.

Section 16, page 94 of the Budget Bill. This section provides certain budgetary controls by the Department of Finance over automobile purchases. We recommend approval.

Section 17, page 94 of the Budget Bill. This section prohibits officers of state agencies which receive appropriations as provided in the Budget Act from making expenditures in excess of such appropriations without the consent of the Department of Finance. This is similar to a provision contained in the 1949 and prior Budget Acts.

Section 18, page 95 of the Budget Bill. This section prohibits the renewal of any fire insurance on public property with certain exceptions. This is similar to a provision in the 1949 Budget Act. We recommend approval.

Section 19, page 95 of the Budget Bill. This section permits the State Board of Control, with the recommendation of the Director of Finance, to transfer unneeded funds from an appropriation for support of state institutions to other institutions within the same agency. This is limited to the Department of Corrections, the California Youth Authority, the Department of Education, and the Department of Mental Hygiene. This is similar to a provision in the 1949 Budget Act. We recommend approval.

Section 20, page 95 of the Budget Bill. This section provides a method of expediting cooperative programs between the State of California and the United States by permitting payment from the pertinent appropriation before the project is actually undertaken or completed. We recommend approval.

Section 21, page 95 of the Budget Bill. This is a technical provision similar to one contained in the 1949 Budget Act. We recommend approval.

Section 22, page 95 of the Budget Bill. This section permits the Department of Finance to transfer funds from one agency to another when the functions performed by the respective agencies are transferred. We recommend approval.

Section 23, page 96 of the Budget Bill. This section provides that when functions of any agency for which appropriation has been made in this Budget Act are discontinued the appropriation for such agency shall revert to the unexpended balance of the fund from which such appropriation was made. We recommend approval.

Section 24, page 96 of the Budget Bill. This provides that the State Board of Control shall make adjustments in appropriations as a result of changes of laws affecting the agency concerned. This is similar to a provision in the 1949 Budget Act. We recommend approval.

Section 25, page 96 of the Budget Bill. This is a technical section similar to a provision in the 1949 Budget Act. We recommend approval.

Section 26, page 96 of the Budget Bill. This section provides that this Budget Act shall take effect immediately. We recommend approval.

We recommend that the following budgetary control sections similar to sections contained in the 1949 Budget Act be amended into the 1950 Budget Act:

"None of the money appropriated by this act or for an expenditure which is supplemented from money appropriated by this act shall be used to purchase furnishings for any house or apartment of three or more rooms other than a dormitory which is rented to a state employee except for a superintendent of an institution, warden of a prison, or physicians. This provision shall not apply to the purchase of refrigerators, heaters, air conditioning equipment, stoves, linoleum, or equipment normally furnished in construction of the house as may be determined by the Board of Control. Any such funds that are appropriated by this act for this purpose shall be held intact and be reverted to the fund from which they were appropriated. It is the intent of the Legislature that no money shall be appropriated henceforth for the purpose of house furnishings. Such furnishings are not to be provided by the State nor shall any money be paid from this appropriation for their replacement, repair or otherwise except in connection with the disposal of the same."

"None of the money appropriated by this act or for an expenditure which is supplemented for money appropriated by this act shall be used to furnish rugs or carpets for any state office except those provided for the constitutional officers or the heads of departments. Any funds that are appropriated by this act for this purpose as is shown in the document entitled 'State of California Budget for the Fiscal Year July 1, 1950 to June 30, 1951' submitted by the Governor to the Legislature at the 1950 Regular Session for such purchases, shall be held intact by the Director of Finance for the reversion to funds from which appropriated. Report shall be made to the Legislature of the 1951 session as to the amount of savings that have been accumulated from this source."

"No money appropriated by this act shall be used to pay the salary of any authorized state position, which position was vacant and had been vacant or continuously unfilled during the period between October 15, 1949 and July 1, 1950, except with the specific approval of the Director of Finance subsequent to July 1, 1950.

"The Director of Finance shall present to the Joint Legislative Budget Committee, assembled in meeting, a report of all authorizations to fill vacant positions pursuant to this section during the preceding quarter and all positions abolished."