

RECOMMENDATIONS

Amount budgeted	\$46,386
Legislative Auditor's recommendation	46,386
Reduction	None

ANALYSIS

The Wildlife Conservation Board, which was created for the purpose of formulating an over-all plan of area and facility acquisition and development leading to the increased production of fish and game, originally predicated its work upon a fund of \$9,000,000 which was provided out of horse racing income. In the early part of 1951, it appeared that by the end of the 1951-52 Fiscal Year the board would have completed its work by having allocated all of the \$9,000,000 then available, and consequently, we recommended in our analysis of the 1951 Budget that this board be discontinued. However, the Legislature, by Chapter 1401 of the Statutes of 1951, provided an additional \$3,000,000, from the same source, at the rate of \$1,000,000 annually for further expansion of the program. Therefore, it now appears that the board will be required to continue in operation in order to allocate the additional funds.

During the current fiscal year, the position of wildlife projects coordinator was created to head the staff of the board. The continuation of this position accounts for the increased over-all cost of operation. Originally the work performed by this coordinator was performed under a contract arrangement. We recommend approval of the item as requested.

Department of Natural Resources
DEPARTMENTAL ADMINISTRATION

ITEM 201 of the Budget Bill

Budget page 644
 Budget line No. 30

For Support of Departmental Administration From the General Fund

Amount requested	\$262,833
Estimated to be expended in 1951-52 Fiscal Year	209,622
Increase (25.4 percent)	\$53,211

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$41,051	\$41,051	---	645	52
Operating expense	720	720	---	645	73
Equipment	6,299	6,299	---	646	6
Decreased reimbursement from special fund agen- cies	101,281	101,281	---	646	21
Total increase	\$53,211	\$53,211	---		

RECOMMENDATIONS

Amount budgeted	\$262,833
Legislative Auditor's recommendation	262,833
Reduction	None

ANALYSIS

The Department of Natural Resources, in order to provide general and accounting administration for its member divisions, is proposing an increased cost to the General Fund of \$53,211, or 25.4 percent, from \$209,622 estimated to be expended during the current fiscal year to \$262,833 estimated to be expended during the 1952-53 Fiscal Year. Since the Division of Forestry is the only member division requiring extensive General Fund support, it might be said that this increase in departmental administration is actually being levied on the Division of Forestry and on the departmental overhead services. The increase is occasioned by the fact that the Division of Fish and Game was elevated to departmental status by the Legislature in 1951, and at the end of the current fiscal year it will separate its accounting, personnel, property functions and reimbursement entirely from the Department of Natural Resources.

The latter department, in losing normal reimbursement of over \$100,000 from the Division of Fish and Game, has not been able to reduce its over-all operating costs by the amount of the reduction in reimbursement because of the fact that many individual functions are not divisible and must continue even though the load of the Division of Fish and Game is no longer present. It was pointed out by us that this would be the case when the new Department of Fish and Game was being considered. It should be pointed out, however, that we believe the gross cost of support can be still further reduced beyond the amount calculated by the department for the purposes of this budget.

The gross cost of support is proposed to be reduced by \$48,070, or 12 percent, from \$400,347 estimated to be expended during the current fiscal year to \$352,277 proposed for the 1952-53 Fiscal Year. These figures are before deducting reimbursements from special fund divisions. Referring again to the gross cost of \$400,347 for the current fiscal year, we find that reimbursement by the Department of Fish and Game for the same period is estimated at \$102,209, or approximately 25 percent of the total gross cost of operation. Consequently, it may be said that departmental administration, in losing 25 percent of its total income, is able to reduce its cost of operation to the extent of only less than half of the income loss.

A further comparison can be made in the matter of personnel. The total number of currently authorized positions is 94.8, of which four are in connection with top-level executive positions, namely, the director, deputy director-controller, and two clerical positions directly responsible to the executive positions. For purposes of this comparison, we will consider a total then as being 90.8 positions, of which 14, or 15 percent, are being transferred to the Department of Fish and Game. While we do not believe that it would be possible to reduce the number of personnel percentage-wise to the same extent as the loss in income, we do believe that it is possible to reduce more than the number that has been proposed.

Operating expenses are proposed to be reduced by \$720, or 1.5 percent, from \$46,965 in the current fiscal year to \$46,245 in the 1952-53 Fiscal Year. However, this reduction is not indicative of the actual reduction taking place as a result of the transfer to the Department of Fish and Game. The gross operating expenses proposed for the 1952-53 Fiscal Year are \$50,162, which reflects general price increases in services, materials, and supplies. From this, it is proposed to deduct \$3,917, or 7.8 percent, as the amount to be recognized in connection with the reduction in work

load. Here again, while we do not believe it would be entirely possible to reduce these expenditures to the degree of the 25-percent loss in income, it would appear that at least some additional reductions can be effected.

In view of the foregoing, we recommend that the budget of the Department of Natural Resources administration be approved as requested with the understanding that the Department of Finance undertake a detailed study of the entire operation as soon as possible after the Department of Fish and Game work load has been removed from the function and that a report be submitted to the Legislature at its 1953 Session indicating further reductions in personnel and operating expenses or justifying in detail by post-assignments the continuation of all positions now remaining in departmental administration.

**Department of Natural Resources
DEPARTMENTAL ADMINISTRATION**

ITEM 202 of the Budget Bill

Budget page 646
Budget line No. 34

For Support of Exhibit at State Fair From the Fair and Exposition Fund

Amount requested	\$3,400
Estimated to be expended in 1951-52 Fiscal Year	3,825
Decrease (11.1 percent)	—\$425

RECOMMENDATIONS

Amount budgeted	\$3,400
Legislative Auditor's recommendation	3,400
Reduction	None

ANALYSIS

The Legislature, at the 1951 Session, included in the Budget Act, payable for the first time from the Fair and Exposition Fund, an item of \$3,825 to provide for a department-wide exhibit at the State Fair. The total cost of this exhibit was anticipated to be \$7,500, and the amount appropriated represented that portion which would be attributable to the General Fund-supported divisions of the department. The special fund divisions were required to pay their proportionate share from their own funds.

The gross amount proposed for the 1952-53 Fiscal Year is \$5,000 since the Division of Fish and Game will probably have an independent exhibit. This request again represents the proportionate share of the General Fund-supported divisions, and we recommend approval of the item.

**Department of Natural Resources
DIVISION OF BEACHES AND PARKS**

ITEMS 203, 204, 205 of the Budget Bill

Budget page 647
Budget line No. 11

For Support of Division of Beaches and Parks From the State Park, State Park Maintenance, and General Funds

Amount requested	\$2,267,618
Estimated to be expended in 1951-52 Fiscal Year	2,122,195
Increase (6.9 percent)	\$145,423

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$70,042	\$60,394	\$9,648	652	60
Operating expense-----	63,138	62,138	1,000	652	61
Equipment-----	9,743	8,993	750	652	62
Plus:					
Decreased reimburse- ment-----	2,500	2,500	---	652	65
Total increase-----	\$145,423	\$134,025	\$11,398		

RECOMMENDATIONS

Amount budgeted-----	\$2,267,618
Legislative Auditor's recommendation-----	2,246,943
Reduction-----	\$20,675

ANALYSIS

The budget request of the Division of Beaches and Parks for the 1952-53 Fiscal Year represents a substantial increase in total expenditures over those estimated for the 1951-52 Fiscal Year. This amounts to \$145,423, or 6.9 percent, from \$2,122,195 estimated to be expended during the current fiscal year to \$2,267,618 proposed for the 1952-53 Fiscal Year. However, at least 90 percent of this increase is attributable to the fact that the facilities of this agency are growing and public use of the state parks is increasing. For instance, during the 1950-51 Fiscal Year, the division completed and put into operation 19 comfort stations, six combination buildings, five office and contact stations, 215 camp units, 132 picnic units, four trailer units and 23 ramadas. Some facilities are also being added during the current fiscal year. Consequently, additional employees are needed to maintain and operate the additional facilities.

The additional employees being requested consist of 10 full-time, permanent positions and 5.4 man-years of seasonable positions. All of these positions, with the exception of two permanent ones, are directly attributable to the increased work load occasioned by additional facilities and increased public attendance at the various state parks. The other two positions represent a distinctly new level of service and will be discussed later in this analysis. The increase in salaries and wages for all positions in the division amounts to \$70,042, or 4.5 percent, from \$1,572,940 estimated to be expended during the current fiscal year to \$1,642,982 proposed to be expended during the 1952-53 Fiscal Year. It should be pointed out, however, that the actual increase may be greater due to the fact that by a more stringent interpretation of salary savings, these have been estimated to be increased by \$22,500 from \$39,100 in the current fiscal year to \$61,600 in the 1952-53 Fiscal Year. If such an increase in salary savings is not realized, additional funds will have to be provided either from the Emergency Fund or by transfer from savings in other categories of expenditure.

Operating expenses throughout the division are estimated to increase by \$63,138, or 11.3 percent, from \$558,395 in the 1951-52 Fiscal Year to \$621,503 in the 1952-53 Fiscal Year. The bulk of this increase can be attributed to increased costs of materials and services, the additional positions requested, and the maintenance of new facilities added during the 1950-51 Fiscal Year. However, in the case of maintenance, discussed

later under that heading, we believe certain facilities have been improperly included in the computations of maintenance costs.

Expenditures for equipment are proposed to be increased by \$9,743 or 18.9 percent, from \$51,610 estimated to be expended during the current fiscal year to \$61,353 proposed to be expended during the 1952-53 Fiscal Year. The bulk of this increase is occasioned by the need to replace certain automotive units and particularly an expensive tractor needed to operate beach cleaning equipment in one of the major beach parks. The Budget Committee's staff, in close cooperation with the Division of Budgets and Accounts of the Department of Finance, carefully screened the original equipment requests presented by the Division of Beaches and Parks and effected a reduction from approximately \$98,000 to the amount indicated above. Particular attention was paid to additional equipment, and especially the so-called miscellaneous items which often are to cover contingent and unspecified purchases which we believe results in making available funds for items which could not otherwise be justified.

Administration

The cost of providing divisional administration is anticipated to increase by \$28,808, or 12.5 percent, from \$230,905 estimated to be expended in the current fiscal year to \$259,713 proposed to be expended in the 1952-53 Fiscal Year. Almost half of this total increase is the result of a proposal that the division be permitted to employ a historian at \$7,008 annual starting salary with suitable clerical assistance in the form of an intermediate stenographer-clerk at \$2,640 initial salary and approximately \$1,750 in additional operating expenses and equipment necessary to implement these positions. This position is being requested on the basis that the Division of Beaches and Parks is continuing to increase the number of its historical monuments and that a qualified historian is necessary to direct the research incidental to the restoration and operation of these units. In effect, it appears that this request represents a new approach to obtaining the legislative approval which was previously denied in connection with a request for funds to continue the historical research at Columbia State Park. Consequently, we recommend the disapproval of this request because it is an entirely new service which represents an overemphasis on a phase of the division's operations which is relatively less important to the general public, whose greatest interest lies in areas providing physical recreation. We believe that the curators at the various historical monuments, working with local authorities, local historical associations, and other interested parties, can provide all the historical research that is generally demanded in these units. This recommendation would result in a saving of \$9,648 in salaries and wages, \$1,000 in operating expenses, and \$750 in equipment, a total of \$11,398.

The balance of the increase in the cost of administration is due to merit salary adjustments, the continued rise in the cost of services, supplies, and materials, and of the need to replace certain items of automotive and photographic equipment. The major increase in operating expenses is in the item of pro rata departmental administration for administrative and accounting services provided by the Department of Natural Resources. This is estimated to increase from \$62,053 in the current fiscal year to \$69,575 in the 1952-53 Fiscal Year as a result of the fact that the Division

of Fish and Game will separate its accounting function from the Department of Natural Resources at the end of the current fiscal year making it necessary for the department to spread some of its increased costs, resulting from this move, upon the remaining divisions in the department.

Maintenance

In the 1952-53 Fiscal Year, it is proposed to increase the cost of maintaining and operating the beach and park system by \$112,171, or 7.1 percent, from \$1,569,212 estimated to be expended in the current fiscal year to \$1,681,383 in the 1952-53 Fiscal Year. Practically the entire increase is occasioned by an anticipated increase in work load due to the adding of facilities for public use, the addition of eight permanent positions and 4.9 man-years of seasonal positions necessary to operate and maintain the additional facilities, to handle the anticipated increase in public utilization of park facilities, and merit salary increases for existing positions.

However, one of the positions being requested is a senior engineering aid for District 3, at an annual starting salary of \$3,372. This is the only one of the six districts that is not now employing such a position. We agree with the proposal that this district should be brought up to the same level of service as the other five districts.

In prior years we have recommended a reduction in the size of the staff of the engineering section. This recommendation is still applicable and the requested engineering positions for District 3 can be supplied by a reduction of one of the 5 senior engineering aid positions in the engineering section. For this reason we recommend deletion of the new position at a salary savings of \$3,372.

Increases in expenditures for operating costs reflect both the continued upward trend in the prices of services, materials, and supplies, and the additional facilities and personnel required to operate them. However, we question the item of repairs and maintenance for structures and facilities which is proposed to be increased by \$23,231 or 23.1 percent, from \$100,565 estimated to be expended during the current fiscal year to \$123,796, proposed to be expended during the 1952-53 Fiscal Year. Of this increase, the biggest part, or \$19,336, is based upon one and one-half percent of the cost of 471 new structures and other facilities exclusive of roads and parking which were completed and placed into operation during the 1950-51 Fiscal Year. The total value indicated in the computation is \$1,289,058.

Investigation discloses the fact that this total cost includes a number of items which should not have been included for purposes of computing the cost of maintenance. These items are the Indian Artifacts Collection, which was purchased at a cost of \$38,000; roads and parking at \$128,583, which was supposed to be specifically excluded from this computation; \$38,900 for channel stabilization, which requires no maintenance; and \$14,000 for landscaping, which, again, requires no maintenance. These total \$219,483 and should be offset or reduced by \$24,000, which represents the value of residences which were purchased as part of the property acquired for the San Buenaventura State Beach and which was not included in the computation. The net reduction, therefore, would be \$195,483 which, at one and one-half percent as a maintenance factor, would reduce the amount set up for maintenance by \$2,931. Another item

in the total indicated value is the sum of \$297,426 covering water systems and supply lines installed in various parks. We find, upon investigation and in checking with the Division of Architecture, that one-half of one percent would be an ample maintenance factor for this purpose. Consequently, we recommend that the total additional amount for maintenance of structures be further reduced by one percent of this figure, or \$2,974. These two reductions together would result in a total savings of \$5,905 in operating expenses for the maintenance function.

Expenditures for equipment are proposed to remain at practically the same level for the 1952-53 Fiscal Year as is estimated for the 1951-52 Fiscal Year.

Engineering and Planning

The total cost of conducting the engineering and planning function during the 1952-53 Fiscal Year indicates a very slight increase over the amount estimated to be expended during the current fiscal year. The number of personnel will remain at the same level, and the over-all slight increase is occasioned by merit salary adjustments and increased operating expenses due to the general rise in prices of services, supplies, and materials, and slight increases in equipment due to the necessity to replace several worn out automotive units.

As previously mentioned in this analysis, we recommended at the 1950 Legislative Session that a substantial reduction in the size of this staff be made due to the fact that decreased appropriations for construction were reducing the work load of this function. Approximately half of our recommended reduction was approved by the Legislature at that time. At the 1951 Session we again recommended that the Legislature complete the reduction started in the previous year. This recommendation was not agreed to by the Legislature on the basis that the division had made a showing that a large backlog of boundary survey work still existed and that it was desirable to complete this as soon as possible. For the 1952-53 Fiscal Year Budget, we recommend that the staff level be continued with the exception of the transfer of one position to the maintenance section in order to continue the policy of bringing boundary surveys up to date. However, we believe that in 1953 further reductions in this unit should be considered unless a substantially increased level of construction work is approved by the Legislature.

Land Section

The cost of providing the services of the land section is the only one which shows a reduction, although a slight one. This reduction is the result of minor increases in salaries and wages due to merit salary adjustments and in operating expenses due to price rises, being offset by a substantial reduction in equipment purchases.

This activity is expected to continue at the same staffing level in the 1952-53 Fiscal Year as is being provided during the current fiscal year. However, we would like to point out that the \$15,000,000 provided by Chapter 1422 for acquisitions has, to a large extent, been expended and that most of the money provided for the acquisition of rights-of-way in

the Riding and Hiking Trails Program has also been expended. Consequently, it would appear that serious consideration should be given to reducing the size of this activity during the 1953 Session of the Legislature.

The total of the reductions recommended in the foregoing is \$20,675, of which \$11,398 is in divisional administration and \$9,277 is in maintenance.

**Department of Natural Resources
DIVISION OF BEACHES AND PARKS**

ITEM 206 of the Budget Bill

Budget page 653
Budget line No. 10

For Investigation of Beach Erosion From the General Fund

Amount requested	\$10,000
Estimated to be expended in 1951-52 Fiscal Year	10,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$10,000
Legislative Auditor's recommendation	10,000
Reduction	None

ANALYSIS

The program of investigation of beach erosion has been carried on at the level of \$10,000 annually for some years. In the current fiscal year, it is being paid out of the State Beach Fund, whereas in the 1952-53 Fiscal Year, it is proposed that payment be made from the General Fund since there is insufficient money in the State Beach Fund. The money is expended on a contractual basis in cooperation with the United States Government for study and investigation of beach erosion, which, in connection with state-owned beaches, represents a continuing problem which will be with us for many years. We recommend approval of this item as requested with the understanding that the General Fund will be reimbursed in the event the impounded tidelands royalties are ultimately released to the division.

**Department of Natural Resources
DIVISION OF BEACHES AND PARKS**

ITEM 207 of the Budget Bill

Budget page 654
Budget line No. 7

For Augmentation of the State Beach Fund From the General Fund

Amount requested	\$224,013
Estimated to be expended in 1951-52 Fiscal Year	None
Increase	\$224,013

RECOMMENDATIONS

Amount budgeted	\$224,013
Legislative Auditor's recommendation	224,013
Reduction	None

ANALYSIS

For several years the support of the Division of Beaches and Parks has been augmented by the General Fund on a loan basis because of the fact that the Federal Government has impounded the tidelands royalties from which the division has been receiving its support. Ordinarily other funds besides the tidelands royalties accrued to the State Beach Fund, and some of this is always available for support in addition to the loans made from the General Fund.

In the computations of the amounts necessary to be loaned by the General Fund for the 1951 Budget Act, an overstatement was made in the amount available for support in the State Beach Fund, and consequently, the loan from the General Fund was understated by the same amount. The item herewith being requested is the amount necessary to adjust that error and is, in effect, an increase of the amount loaned by the General Fund for the 1951-52 Fiscal Year.

We recommend approval of this item.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 208 of the Budget Bill

Budget page 655
Budget line No. 42

For Support of Division of Forestry From the General Fund

Amount requested	\$9,047,255
Estimated to be expended in 1951-52 Fiscal Year	8,674,418
Increase (4.3 percent)	\$372,837

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$141,872	\$117,662	\$24,210	667	18
Operating expense	108,957	108,957	---	667	21
Equipment	173,386	173,386	---	667	22
Less:					
Increased miscellaneous reimbursements	—51,378	—51,378	---	667	25
Total increase	\$372,837	\$348,627	\$24,210		

RECOMMENDATIONS

Amount budgeted	\$9,047,255
Legislative Auditor's recommendation	9,010,745
Reduction	\$36,510

ANALYSIS

The Division of Forestry, in providing fire control, prevention and suppression, forest and range improvement and management, and operating 10 Youth Authority and eight corrections forestry work camps in the 1952-53 Fiscal Year, is proposing to increase its expenditures by \$372,837, or 4.3 percent, from \$8,674,418 estimated to be expended during the current fiscal year to \$9,047,255 in the 1952-53 Fiscal Year. Of the total increase, approximately 33 percent is attributable to increases in salaries and wages, approximately 25 percent to increases in operating expenses, and approximately 41 percent to increases in equipment expenditures.

The over-all increase in salaries and wages can be roughly divided into half for normal merit salary adjustments and half for eight regular and one man-year equivalent seasonal proposed new positions. Of the over-all increase in operating expenses, approximately one-third is the result of the increased cost of contract radio maintenance service, and the balance is the result of anticipating a continuation in the rise of prices for services, materials, and supplies. Of the over-all increase in equipment expenditures, over 85 percent is attributable to the need for replacement of overage or worn out automotive units, particularly a number of the largest size track-laying type bulldozers which were purchased in 1942 but which have given unsatisfactory service in this short period, and the balance of the equipment increase is largely attributable to the replacement of inadequate radio units and some additional radio equipment.

It is interesting to note that the total division-wide reimbursements for employees' subsistence is anticipated to be \$381,880 in the 1952-53 Fiscal Year as against a cost of \$393,467 for providing the food for the same period. Even though the latter figure does not include the cost of employee cooks nor any depreciation of equipment, it still represents the closest approach of the two figures that has been made in the division in some years. This has been the result of an increase in the price charged per meal and indicates a commendable attempt on the part of the division to reduce over-all costs to the State.

The total of the proposed expenditures for equipment as originally submitted by the Division of Forestry was \$897,243. Through joint efforts of the Legislative Auditor's staff, the Department of Finance, and the Division of Forestry, this amount was reduced to \$799,838 as now requested in the budget.

Administration

The administrative function of the Division of Forestry is proposed to be continued at the same level of service in the 1952-53 Fiscal Year as is being provided during the current fiscal year. However, the cost of this service is anticipated to be increased by \$52,703, or 8.2 percent, from \$638,948 estimated to be expended during the current fiscal year to \$691,648 proposed for the 1952-53 Fiscal Year. To a minor degree this increase is the result of merit salary adjustments and the need to replace various items of equipment due to age and excessive wear, particularly in the automotive and warehouse and shop categories. The major portion of the increase occurs in operating expenses largely as a result of upward adjustments in the contract for radio maintenance service, partly based on additions to the total group of radio equipment and partly because of increased costs of radio parts, materials, and supplies.

In previous analyses we have been skeptical of the effectiveness of the radio maintenance program in the Division of Forestry by contract with the Division of Communications. Also, we have expressed doubt that the costs of this service performed on this basis compares favorably with costs of the same service performed by forestry in prior years. In the budget for the 1952-53 Fiscal Year, now under consideration, the problem is further complicated by the fact that the civil defense program requires certain additions to the forestry radio system which would not be essential to the Division of Forestry in the course of its normal operations, although they might be considered desirable. Included in this category would be not only certain items of actual radio equipment, but

also standby power generating units which would be installed in such a manner and at such points as to automatically provide continuation of electric power upon failure of the customary sources. It is particularly with regard to these latter units that we wish to comment.

In the first place, we believe that the servicing and maintenance of these units, which actually may not be called into operation for months or years but simply require routine checking to ascertain conditions of readiness, should not require the services of the Division of Communications, but instead should be maintained by Division of Forestry personnel who would normally make routine inspections of the points at which such equipment would be located. In any case, the contract charge for this service being made by the Division of Communications is \$180 per year per unit, which appears to us to be excessive. Consequently, we would recommend that consideration be given to a policy of permitting the Division of Forestry to maintain the standby generating equipment with its own personnel. It should be pointed out that the Division of Forestry is now maintaining an appreciable number of gasoline-powered generating units which it uses for emergency purposes such as camp lighting, et cetera, during the fire season.

When the civil defense program was being set up and consideration was being given to the utilization of existing state-owned radio equipment, we recommended every effort be made to segregate and charge to civil defense appropriations items of equipment which were clearly not essential to the using agency but were being purchased and installed primarily for the needs of the civil defense program. In the case of the Division of Forestry, this has not been done. In the original requests presented for equipment in the 1952-53 Budget, there were a considerable number of standby generating units which were removed from that request after investigation by us which revealed that these units were improperly included and that, in fact, some were already on hand and others were being purchased by the Office of Civil Defense. However, there are items of actual radio equipment which fall in the same category which have not had a similar consideration. We believe that further study should be given by both the Division of Forestry and the Department of Finance with a view to transfer of these charges from the Division of Forestry to the Office of Civil Defense.

To return to the matter of maintenance charges for standby generating equipment, investigation discloses that for the 1952-53 Fiscal Year it is expected that 68 such units will be in operation in the Division of Forestry. However, of this total, only 33 are wholly essential to the Division of Forestry radio plan, and in practically every case, they are located on mountain peaks for the purposes of assuring uninterrupted service of the repeater stations located at these points. Since these mountain peak repeater stations are practically the keys to the entire radio system and since generally all are isolated, it would appear that the Division of Forestry is justified in providing standby generating equipment at these points. The balance of these units is required primarily for purposes of civil defense, and while they might be considered desirable by the Division of Forestry, they would never have been requested by that division under other circumstances.

Consequently, since the contract charges for radio maintenance by the Division of Communications contain an item of \$180 annually for each

of these 68 units, we recommend that the total amount be reduced by \$6,300, which represents 35 units, and that this sum be charged to the Office of Civil Defense. This would reduce the operating expenses of the administrative function of the Division of Forestry by \$6,300.

Conservation Education

The cost of the conservation education program, which is largely based on the dissemination of fire prevention information through printed literature, posters, public appearances and motion pictures, is proposed to be increased by \$8,375, or 16.4 percent, from \$51,212 estimated to be expended during the current fiscal year to \$59,587 during the 1952-53 Fiscal Year. This will provide about the same level of service as is being provided during the current fiscal year. Some of the over-all increase is occasioned by normal merit salary adjustments and by the need to replace certain worn out items of photography equipment, particularly. However, the major part of the increase results partly from the desire to provide a little more printed material and photographic material and to provide a small amount of money for minor exhibits at various county fairs, and partly from the anticipation that the costs of services, materials, and supplies will continue to rise. On the whole we believe that this is an effective program, and, consequently, we recommend that this portion of the budget be approved as requested.

Field Operations—District Headquarters

The operations of the six district headquarters, which provide regional supervision of the various county headquarters and fire suppression stations, as well as over-all storage, distribution and service facilities, are anticipated to increase in cost by \$57,525, or 9.3 percent, from \$616,096 estimated to be expended during the current fiscal year to \$673,621 in the 1952-53 Fiscal Year.

A little more than half, or \$30,091, of the total increase is attributable to the category of salaries and wages, partly due to normal merit salary adjustments for the existing authorized positions and partly to the fact that one additional heavy equipment mechanic is proposed at an annual starting salary of \$3,795, and six half-salary assistant civil engineer positions are desired to be put on a full-scale support basis. Half the salary of the latter positions is now being paid from capital outlay projects. When we first considered these six positions a year ago, we were not entirely convinced that a transfer of half the salary to the support budget was justified. However, we have had an opportunity to re-examine the problem in detail, and we are now inclined to believe that a justifiable need exists for these positions to be included at full time in the support budget.

The position of heavy equipment mechanic, which is proposed to be employed out of the Redding Headquarters of District II, would, in all probability, effect substantial savings in the repair of heavy automotive equipment as compared with the difficult and unsatisfactory use of private repair shops as need arises. However, we would like to point out that the utilization of this position should be accompanied by an actual reduction in the estimated cost of automotive operation in District II. A careful checking of the detailed breakdown of this cost of operation indicates that no recognition was taken of this fact in computing the amount for the 1952-53 Fiscal Year. This is discussed in a subsequent paragraph.

Operating expenses for the district headquarters function is proposed to be increased by \$10,799 for the 1952-53 Fiscal Year. For the most part, this increase results from the anticipation that the costs of services, materials, and supplies will continue to rise. However, there is included in this category for the first time an item for experimental radio parts and services at \$3,000. The state wide Division of Forestry radio network is still far from a perfectly functioning system, and unquestionably a certain amount of experimentation should be carried on in order to attain the maximum possible efficiency from the system. However, in setting up the contract for radio maintenance to be furnished by the Division of Communications, no cognizance was taken of this fact and no charge was included for this purpose. Consequently, we believe that this is a justifiable expenditure.

In our discussion of the salaries and wages costs in the previous paragraph, we pointed out that the proposal to add one heavy equipment mechanic was not accompanied by a commensurate reduction in the anticipated cost of automotive operation. During the current fiscal year this cost is estimated to be \$35,731 and for the 1952-53 Fiscal Year it is proposed to be \$36,228. This indicates that a normal cost increase was anticipated and that no cognizance was taken of the reduced costs made possible by the additional position. It is our belief that this position should be able to save at least the annual salary connected therewith, plus the State's contributions to the Employees' Retirement Fund, plus some operating expense. Since the annual salary is \$3,795, we would estimate that in round figures it would be logical to reduce the automotive operation costs by at least \$6,000, which should be a starting point. Consequently, we recommend a reduction of \$6,000 in operating expense.

Equipment expenditures for this function are proposed to be increased by \$18,821, principally because of the need to replace certain overage and worn out automotive units and a number of radio units which have become unusable because of frequency changes made by the Federal Communications Commission. Estimates of the cost of converting these units to the new frequency indicate that it would be more expedient to dispose of the units and to buy new ones of the proper frequency.

With the reduction of \$6,000 mentioned above, we recommend approval of this portion of the budget item.

Field Operations—Field Services

The field services function of the Division of Forestry is literally the backbone of the organization in the sense that it represents the fundamental justification for the existence of the division, namely, the operation of fire suppression and fire lookout stations, together with corollary services such as maintenance and construction of fire roads, fire breaks, telephone lines, power lines, and numerous structures. To provide this service during the 1952-53 Fiscal Year at approximately the existing level, the division is proposing to increase the cost of operation by \$142,838, or 2.6 percent, from \$5,510,784 estimated to be expended during the current fiscal year to \$5,653,622 for the 1952-53 Fiscal Year.

Over 85 percent of this total increase is directly attributable to the need to make substantial replacements in various items of automotive equipment, particularly the heavy bulldozer previously mentioned. The bulk of the balance is occasioned by increased operating expenses and

a comparatively small amount by increases in the salaries and wages category.

The very small increase of \$7,253 anticipated in salaries and wages for this function is occasioned by the fact that 85 man-months of forest fire fighter foreman positions have been transferred to forestry work camps to provide additional supervision of the work crews. This transfer has been somewhat offset by providing some additional man-months of fire fighter foreman positions during the fire seasons to make available a patrol of the Hopland-Boonville area. This is due to population growth and lumbering activities and the need for supervising a new four-man crew location at Flynn Springs in San Diego County. This location would otherwise be at least 45 minutes travel time from the main La Mesa fire control station. In addition, a seasonal fire lookout is being provided in the Folsom Dam area where construction activities are increasing the fire hazard.

Increased operating expenses for the field services function are to some extent the result of the anticipation that the costs of services, materials, and supplies will continue to rise during the 1952-53 Fiscal Year. However, the bulk of it is occasioned by the fact that the long-range improvement program of the Division of Forestry has brought into existence a growing number of permanent buildings, power lines, bridges, roads and truck trails, and other permanent facilities which require maintenance and supplies to a greater extent than would be the case if, for instance, many of the old style so-called "rag" camps had been continued in existence. We believe that this program of improvement, modernization, and permanence of establishment will provide both increased efficiency of man power and the means to obtaining and holding top quality, intelligent men.

Expenditures for equipment, as previously mentioned, are anticipated to be substantially increased by \$154,178, or 30.3 percent, from \$509,481 estimated to be expended during the current fiscal year to \$663,659 for the 1952-53 Fiscal Year. The bulk of this increase is occasioned by the substantial increase in automotive equipment replacement, a large part of which is due to the fact that a number of heavy duty, track laying-type bulldozers, which were purchased in 1942, have given significantly unsatisfactory service, have not been able to attain normal life expectancy and now require replacement.

It is of interest to note that the entire amount anticipated to be expended for equipment purchases in the field services function, approximately two-thirds is for the replacement of worn out or inefficient, and therefore dangerous, equipment. The balance represents a continuation of the program of bringing the Division of Forestry up to an equipment level of maximum efficiency, particularly with respect to the radio communications system.

In prior years we have commented on the fact that this division had been making commendable attempts to utilize its fire suppression man power pool in every way possible, particularly in construction of various station buildings, roads, fire breaks, power lines, et cetera. That they have often been prevented from making full utilization in this manner is no fault of the division; instead, it has been the result of circumstances beyond its control. Nevertheless, it is continuing to approach the problem of keeping its operations as economical as possible. As evidence of this,

we cite the fact that the division has formulated a plan, which will probably be carried out initially in the current fiscal year, to set up a work program in one of its forestry work camps by which all fire hose used in the Division of Forestry will, upon being retired from service, be sent to a work camp for removal, rehabilitation, and re-utilization of the expensive brass and bronze couplings with which these hoses are equipped. The division will then purchase all its fire hose in bulk at a substantial savings, and the refurbished couplings will be applied to the hose as required. This will provide an excellent work project for the Corrections inmates at the forestry camps as well as producing very substantial savings in operating costs. Since the Division of Forestry uses an enormous quantity of hose distributed among all its fire suppression stations and equipment such a program as outlined is highly meritorious. In view of the foregoing, we recommend that this portion of the budget item be approved as requested.

Field Operations—Forestry Work Camps

The forestry work camps program is based on the operation of four permanent camps and six "spike" camps for Youth Authority inmates and eight permanent camps for Department of Corrections inmates. It is anticipated that one additional permanent camp will be established for Department of Corrections inmates during the spring of 1953. As a whole this program, which provides the Division of Forestry with a substantial labor pool for the construction of fire access roads, fire breaks, and other minor structures, as well as a secondary attack force for large fires, has proved beneficial both to the Division of Forestry and the correctional programs of the State. The cost of maintaining these inmates in the camps is appreciably less than the cost of maintaining them in the regular institutions. Furthermore the capital outlay required to construct the necessary space is far less per inmate in the camps than it would be in a formal institution.

In order to operate these camps, the Division of Forestry is proposing to increase its expenditures by \$74,599, or 4.9 percent, from \$1,538,885 estimated to be expended during the current fiscal year to \$1,613,484 during the 1952-53 Fiscal Year. Practically all of this increase occurs in the salaries and wages category with only a minor increase anticipated in operating expenses and a minor decrease in anticipated expenditures for equipment purchases.

The increase in salaries and wages is estimated to be \$81,519, or 30.2 percent, from \$269,953 estimated to be expended during the current fiscal year to \$351,472 estimated to be expended in the 1952-53 Fiscal Year. Of this total, approximately \$50,000 is applicable to the fact that the position of forest fire fighter foreman has been increased by 149 man-months in order to provide additional supervision of the work crews. The present supervision provides a ratio of one supervisory position to crews of between 20 and 30 men, which crews have been found to be too large for adequate supervision. We believe the increased supervision, which will make possible crews of 10 to 15 men, is justified. One additional forestry work projects supervisor at an annual starting salary of \$3,900 is being proposed to staff the one additional camp which is expected to be opened in the spring of 1953. The balance of the increase involves a policy which we believe should be clearly set forth.

The division is proposing to provide a two-step bonus for the foreman positions in the camps at an estimated cost of \$24,210. At present the division provides this two-step bonus for all seasonal positions during the fire season, but has not done so for the foreman positions in the forestry work camps because of the fact that their services on actual fires were required much less often than in the case of the regular fire fighter foreman. However, it now appears that it is difficult to get foremen to work in these camps during the fire season because of the fact that this two-step bonus is not being provided, and, consequently, the men prefer to work in the regular suppression camps. We believe that this policy of providing a two-step bonus for the forestry camp foremen for recruitment purposes is not justified since this might set a precedent from which it would be difficult to retreat in the future. In the past we have taken the stand that it is improper to provide recruiting inducements in this manner, and, consequently, we recommend that the sum of \$24,210 be deleted from the salaries and wages portion of this budget. The balance of this portion of the budget is recommended for approval.

Forest Management

The forest management program is fundamentally one of enforcement of the Forest Practices Act which was aimed at promoting a sustained productivity on the forest lands of California. A secondary service is the management of state-owned forests and the providing of information and assistance in farm forestry. To operate this program, the division is proposing to increase its expenditures by \$55,460, or 32.3 percent, from \$171,550 estimated to be expended during the current fiscal year to \$227,010 estimated for the 1952-53 Fiscal Year. More than half of this increase is in the category of salaries and wages due to the request for additional positions, and the balance is in operating expenses and equipment, also due to the necessity to provide equipment for the new positions.

During consideration of the budget by the 1951 Legislature, the Division of Forestry requested nine additional forest technician positions which were deemed to be necessary for expanded enforcement of the Forest Practices Act in accordance with amendments to that act made by Chapter 720 of the Statutes of 1951. Based upon preliminary investigation, we recommended four positions which were approved by the Legislature. The division is now proposing the other five positions, which were disallowed, as well as an additional intermediate typist-clerk to provide clerical assistance which would be made necessary by the additional technical positions. We have had an opportunity to examine the problem still further since the close of the 1951 Session, and we find that because of the greatly expanded activity in both the pine and redwood forest areas, there appears to be a sufficient work load to justify these additional positions. Consequently, we recommend that they be allowed.

The increase in operating expenses and equipment are in line with the additional positions and reflect the anticipation that prices of services, materials, and supplies will continue to rise during the 1952-53 season. We recommend, therefore, that this portion of the budget be approved as requested.

Range Improvement

The level of service to be provided in the range improvement program, which operates in cooperation with private land owners, is approximately the same as is being provided in the current fiscal year. However, the cost

of providing this service is expected to be reduced by \$18,364, or 15.7 percent, from \$116,734 estimated to be expended during the current fiscal year to \$98,370 for the 1952-53 Fiscal Year.

The entire reduction is the result of anticipated reductions in expenditures for equipment. The Legislature, by Chapter 1503 of the Statutes of 1951, provided for an additional standby fire crew and truck. Since the truck was purchased during the current fiscal year, there is no need for an additional one in 1952-53, which accounts for the reduction in equipment expenditures. In view of the foregoing, we recommend approval of this portion of the budget item as requested.

State Nursery

The Division of Forestry operates a nursery, which produces stock for public planting, particularly for wind break, soil control, and reforestation purposes. Some of the nursery work is performed at a number of the forestry work camps. This service is anticipated to be continued in 1952-53 at the same level as in the current fiscal year. The total increase is anticipated to be only \$299, or somewhat less than 1 percent. We recommend approval of this portion of the budget item as requested.

Department of Natural Resources DIVISION OF FORESTRY

ITEM 209 of the Budget Bill

Budget page 667
Budget line No. 67

For Direct Allotment to Counties for Cooperative Watershed Protection

From the General Fund

Amount requested	\$726,307
Estimated to be expended in 1951-52 Fiscal Year	601,277
Increase (20.8 percent)	\$125,030

RECOMMENDATIONS

Amount budgeted	\$726,307
Legislative Auditor's recommendation	726,307
Reduction	None

ANALYSIS

The State Division of Forestry recognizes state responsibility for some areas in seven counties which operate their own fire control systems. In order to avoid any overlap of operations, the Division of Forestry contracts with these counties to provide protection for the areas of state responsibility. Reimbursement is based on a level of cost equal to that of the Division of Forestry if it were to provide protection for these areas. Since costs of materials and equipment and salaries and wages have been going up, certain upward revisions are necessary in the contracts with these counties. We believe this arrangement to be equitable to all concerned, and the amount being requested appears justified. Consequently, we recommend approval of the item as requested.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 210 of the Budget Bill

Budget page 667
Budget line No. 79

*For Allotments to United States Forest Service for Protection of Private Lands
Within and Adjacent to National Forests From the General Fund*

Amount requested	\$771,376
Estimated to be expended in 1951-52 Fiscal Year	498,222
Increase (54.8 percent)	\$273,154

RECOMMENDATIONS

Amount budgeted	\$771,376
Legislative Auditor's recommendation	633,404
Reduction	\$137,972

ANALYSIS

The United States Forest Service provides fire protection for 5,715,099 acres of state and privately owned lands, either entirely within the forest boundaries or immediately adjacent thereto, for which the State recognizes responsibility. In turn, the State Division of Forestry provides protection for 181,515 acres of national forest land which is immediately adjacent to areas of state responsibility and protection. This leaves a net of 5,533,584 acres for the protection of which the State would reimburse the United States Forest Service.

In prior years, the cost of protecting this type of state responsibility area was computed by determining the average cost per acre experienced by the United States Forest Service in protecting a total area in excess of 21,000,000 acres, then multiplying this by the net total number of acres of state responsibility and finally allowing 65 percent of this figure to be paid to the United States Forest Service. For the current fiscal year, this computation totaled \$498,222 for which an appropriation was made by the Legislature in 1951.

For the 1952-53 Fiscal Year, it is proposed by the Division of Forestry that the sum to be paid the United States Forest Service be increased by \$273,154, or 54.8 percent, making a total computation of \$771,376. This increase is based on two factors; first, the recognition of salary increases which were allowed to the employees of the United States Forest Service, and second, the use of a new formula by which the state and privately owned lands protected by the United States Forest Service would supposedly receive better protection.

The new formula, based on a factor called the "weighted average cost per acre," will, it is said, permit the United States Forest Service to establish additional suppression stations, thus providing for increased initial attack. However, in our opinion, it is doubtful that increased payments to the United States Forest Service would provide any service which would be appreciably better than is currently being provided. We would like to point out that the budget of the United States Forest Service is largely predicated on a principle of obtaining emergency money when emergency fire conditions are declared to be present by the United States Forest Service. Consequently, the total budget of that agency is

made up of \$2,542,868 of the so-called normal support appropriation and \$1,696,388 of anticipated funds based on an eight-year average of emergency moneys obtained for fighting large campaign fires. Therefore, it may be said that the only funds which the agency will actually have for support by congressional appropriation will be the first figure, and the second exists only if and when an emergency arises. It would then appear that any additional funds provided by the State Division of Forestry would probably do more towards increasing the over-all protection afforded by the United States Forest Service for all its protection area than it would do for the areas which the State recognizes as its responsibility within the forest service protection.

In view of the foregoing, we recommend the continuation of the previous approach which uses as a base for computation the average cost per acre, recognizing the salary increases granted by Congress, and allowing the same 65 percent portion as established by prior California Legislatures. This computation would be as follows:

Average Cost per Acre

$$\$1.761 \times 5,533,584 \text{ acres} = \$974,467 \times 65\% = \$633,404$$

The net reduction in this request would be \$137,972.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 211 of the Budget Bill

Budget page 668
Budget line No. 21

For Watershed Research in Cooperation With California Forest and Range Experiment Station of the United States Department of Agriculture from the General Fund

Amount requested	\$24,000
Estimated to be expended in 1951-52 Fiscal Year	24,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$24,000
Legislative Auditor's recommendation	24,000
Reduction	None

ANALYSIS

This program, which was started by Chapter 1415 of the Statutes of 1947, is for a long-range study of watershed conditions, rainfall, and stream flow records which is conducted by the United States Department of Agriculture. This item of appropriation represents the State's share of this program on a contractual basis. The water problem in Southern California is still an acute one, both from the standpoint of available supply and of flood control. Consequently, we consider this program to be well justified, and we recommend approval of this item as requested.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 212 of the Budget Bill

Budget page 668
Budget line No. 33

For White Pine Blister Rust Control From the General Fund

Amount requested	\$168,000
Estimated to be expended in 1951-52 Fiscal Year	168,437
Decrease	\$437

RECOMMENDATIONS

Amount budgeted	\$168,000
Legislative Auditor's recommendation	168,000
Reduction	None

ANALYSIS

This is a continuing control and eradication program carried on by the United States Department of Agriculture in cooperation with the State Division of Forestry. The Federal Government matches the amount appropriated by the State and in addition matches the value of free labor provided by forestry work camp inmates. The service will continue at about the same level as is being provided in the current year and that has, in fact, been provided for the last three or four years. We recommend approval.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 213 of the Budget Bill

Budget page 668
Budget line No. 53

For Emergency Fire Suppression From the General Fund

Amount requested	\$320,000
Estimated to be expended in 1951-52 Fiscal Year	320,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$320,000
Legislative Auditor's recommendation	320,000
Reduction	None

ANALYSIS

In the course of its normal fire season, the Division of Forestry sometimes is faced with fires of unusual magnitude which require efforts beyond the capacities of regularly employed crews. For this purpose an emergency allotment has been made available to the division from which it can employ temporary help, rent heavy equipment, rent airplane service, and provide subsistence to emergency crews. The 1951 Legislature provided \$240,000 for this purpose. However, during the severe lightning fire season in the fall of 1951 it was found necessary to allocate an additional \$80,000 from the regular emergency fund. Consequently, since this made a total of \$320,000, and in anticipation of a fire season which will probably be as severe, the division is requesting the continuation of that level of appropriation, namely \$320,000. We recommend approval of this item as requested.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 214 of the Budget Bill

Budget page 668
Budget line No. 84

For Pine Beetle Control From the General Fund

Amount requested	\$50,000
Estimated to be expended in 1951-52 Fiscal Year	50,000
 Increase	 None

RECOMMENDATIONS

Amount budgeted	\$50,000
Legislative Auditor's recommendation	50,000
 Reduction	 None

ANALYSIS

The program of controlling infestations of pine beetles on state and private forest lands has been carried on for a number of years by the Division of Forestry and is expected to continue at the present level for some time. In some areas of the pine forests, the pine beetle infestation is particularly acute, and the control of this pest is of extreme importance to the preservation of an important resource of this State. Private land-owners share the costs either by cash payments or by providing labor. The same level of service is being requested for the 1952-53 Fiscal Year as is being provided in the current fiscal year.

We recommend approval of this item as requested.

Department of Natural Resources
DIVISION OF MINES

ITEM 215 of the Budget Bill

Budget page 670
Budget line No. 8

For Support of Division of Mines From the General Fund

Amount requested	\$391,420
Estimated to be expended in 1951-52 Fiscal Year	374,101
 Increase (4.6 percent)	 \$17,319

Summary of Increase

	INCREASE DUE TO				
	Total increase	Work load or salary adjustments	New services	Budget page	Line No.
Salaries and wages	\$6,744	\$6,744	---	671	17
Operating expense	14,248	14,248	---	671	42
Equipment	—3,673	—3,673	---	671	56
 Total	 \$17,319	 \$17,319	 ---		

RECOMMENDATIONS

Amount budgeted	\$391,420
Legislative Auditor's recommendation	391,420
 Reduction	 None

ANALYSIS**Salaries and Wages**

The budget proposed for 1952-53 by the Division of Mines contemplates an increase in salaries and wages of \$6,744, or approximately 3 percent, from \$228,182 estimated to be expended in the current fiscal year to \$234,926 proposed for the new fiscal year. This increase includes one new

position of delineator at an annual starting salary of \$3,720. It is difficult to determine clearly whether the need for this position can be justified on a work load basis or whether it should be considered a new or expanded service.

The Division of Mines has built up a very considerable backlog of data, field maps, maps provided by the U. S. Geological Survey, and other sources which require processing by a delineator to prepare them for publication. Part of the backlog is due to the fact that additional technical personnel have been allowed in the past few years. The work of these additional personnel has now reached the point where their findings should be published if their continued existence is to be justified. From the standpoint of this backlog, it might be considered that the new position is therefore based on work load. However, since the work to be performed by this position was not actually accomplished in prior years, it might be argued that the position actually constitutes an expansion of the existing level of service. Nevertheless, we feel that approval of this position should be recommended on the assumption that the work performed by fairly high-salaried technical personnel is of little value unless it can be properly disseminated in a reasonable time. This position should help to accomplish that end.

The balance of the salary increase amounting to \$3,024 appears to be very small for a group of 54 positions which is the currently authorized total for the division. This can be explained by the fact that an increasingly realistic approach to salary savings is being made by both the Division of Mines and the Department of Finance. In the current fiscal year salary savings are being estimated at \$6,850. For the proposed fiscal year the estimate is \$12,150. This substantial increase recognizes the fact that there is a considerable turnover in geologists and geological aids in this division. Consequently, savings are realized both by periods of vacancy and the starting of a new employee at the bottom of the salary range. We believe that actually a still greater saving will be realized despite the fact of the very considerable increase that has already been recognized.

Operating Expenses

In this category the Division of Mines is proposing increased expenditures of \$14,248, or 10.6 percent, from \$134,357 in the current fiscal year to \$148,605 proposed for the 1952-53 Fiscal Year. Approximately half of this increase is due to the anticipation of a continuation of the general rise in prices of practically all commodities and services. The other half of the increase, however, is due to a contemplated increase in the tempo of operations in this division. Again, this is due to the fact that new technical positions allowed during the last two fiscal years have now reached a point where they have either begun to produce an additional volume of work requiring publication or they have been trained to the point where they can be sent into the field to increase the volume of field survey work.

In the first instance this is indicated by increases in the items for the printing of bulletins and maps and for postage in shipping an increased volume of published matter. In the second instance it is evidenced by an increase in contemplated expenditures for travel and automobile operation, and also for increased laboratory work in connection with commodity surveys. Here again it is difficult to determine whether these increases should be considered as justifiable by work load or whether

they should be considered as indications of an expanding service. Since the Legislature has approved the additional technical positions in previous budgets, it would appear to be a waste of these positions if the work performed by them were not published and properly disseminated and if the positions were not otherwise used to their fullest capacity. Consequently, we recommend approval of the operating expenses as requested.

Equipment

The division is proposing a decrease in its expenditures for the purchase of equipment, particularly its replacement equipment. The decrease is \$3,673, or 31.8 percent, from \$11,562 estimated to be expended in the current fiscal year to \$7,887 proposed for the 1952-53 Fiscal Year.

The request of the division as originally presented contemplated approximately \$12,381 for equipment expenditures in the 1952-53 Fiscal Year. Representatives of both the Legislative Auditor and the Department of Finance, by making on-site examinations of equipment being proposed for replacement and by careful study of the needs for additional equipment, were able to reduce this amount by almost \$4,500 to the \$7,889 now being requested. We recommend approval of this request based on our very careful study of all the items involved.

Since making the survey of this equipment, the Legislative Auditor has determined on a policy of recommending that wherever bookcases are justified and recommended, the Department of Finance should discontinue allowing the sectional-type, glass-front bookcase in favor of the open type without doors, having adjustable shelves and generally being well constructed of steel, which we find can be purchased for less than half the cost of the conventional glass-front types. There are several such in the equipment requests of the Division of Mines, and, consequently, it is recommended that they be treated in the manner mentioned above.

Department of Natural Resources DIVISION OF MINES

ITEM 216 of the Budget Bill

Budget page 671
Budget line No. 71

**For Support of Geological Exploration in Cooperation With U. S.
Geological Survey From the General Fund**

Amount requested	\$35,000
Estimated to be expended in 1951-52 Fiscal Year	35,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$35,000
Legislative Auditor's recommendation	35,000
Reduction	None

ANALYSIS

This is a long range program of geological survey in cooperation with the United States Government which has no definite termination date. The work is done entirely by the U. S. Geological Survey with the Division of Mines contributing a pro rata share of the cost on a contractual basis. The data and service furnished to the State appear to justify this continued expenditure. We recommend approval of this item as requested.

**Department of Natural Resources
DIVISION OF OIL AND GAS**

ITEM 217 of the Budget Bill

Budget page 672
Budget line No. 7

For Support of Division of Oil and Gas From the Petroleum and Gas Fund

Amount requested	\$421,045
Estimated to be expended in 1951-52 Fiscal Year	410,308
 Increase (2.6 percent)	 \$10,737

Summary of Increase

	INCREASE DUE TO			Budget	Line
	Total increase	Work load or salary adjustments	New services	page	No.
Salaries and wages	\$1,793	\$1,793	---	672	63
Operating expense	5,545	5,545	---	673	25
Equipment	3,399	3,399	---	673	35
 Total increase	 \$10,737	 \$10,737	 ---		

RECOMMENDATIONS

Amount budgeted	\$421,045
Legislative Auditor's recommendation	421,045
 Reduction	 None

ANALYSIS

The general level of service provided by the Division of Oil and Gas has remained fairly static for the past four or five years. However, a change in the law, which was enacted in 1951 by Chapter 1333, requires an increase in the level of service which will first become particularly apparent in the 1952-53 Fiscal Year. This change is due to the fact that the division will now be required to publish monthly statistics by pool and field, whereas in the past statistics were based on field only. This makes necessary the determination of the pool being drawn upon by each new well or each existing well which is redrilled or deepened. The pool information on existing operating wells is already available from other sources and merely involves some compilation work in order to be included in the reports.

While a good part of this increased level of service may be absorbed by the use of data supplied by oil company associations, a substantial part must be absorbed by the Division of Oil and Gas. The Department of Finance allowed, during the current fiscal year, a stock clerk position which will be continued in the 1952-53, and succeeding, fiscal years. This position is necessary to help with the increased volume of publications resulting from the new method of reporting. Therefore, while the printed budget indicates an increase of only \$1,793 in salaries and wages for the 1952-53 Fiscal Year as compared with 1951-52, it does not take into consideration the full year additional position which was administratively allowed by the Department of Finance.

Operating expenses are proposed to increase by \$5,545, or 5.7 percent, from \$98,045 in 1951-52 to \$103,590 in 1952-53. Here again, while part of the increase is due to the upward trend in prices of materials and services, the major portion of the increase is due to the additional cost of printing bulletins and maps, blueprinting and drafting, and postage incident to the increased reporting function. Another factor in increased

operating costs is the additional pro rata charges for departmental administration by the Department of Natural Resources occasioned by the fact that the Division of Fish and Game will no longer be contributing to that function, and a higher proportion of the remaining costs must be distributed among the remaining divisions in the department.

Expenditures for equipment are proposed to be increased by \$3,399, or 41.8 percent, from \$8,131 in 1951-52 to \$11,530 in 1952-53. This increase is due almost entirely to the necessity of replacing worn out office and drafting equipment.

This agency is supported entirely by assessments on oil and gas production made against the industry. The law requires that a balance of at least \$50,000 be maintained in the Petroleum and Gas Fund. The amount requested in the budget for the 1952-53 Fiscal Year is such that a balance of \$50,000 will remain in the fund. Consequently, it is recommended that this budget be approved as requested.

**Department of Natural Resources
SOIL CONSERVATION COMMISSION**

ITEM 218 of the Budget Bill

Budget page 674
Budget line No. 7

For Support of Soil Conservation Commission From the General Fund

Amount requested	\$38,485
Estimated to be expended in 1951-52 Fiscal Year	34,493
Increase (11.6 percent)	\$3,992

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$1,092	\$1,092	---	674	37
Operating expense	2,429	2,429	---	674	52
Equipment	531	531	---	674	59
Less:					
Increased reimbursement from Equipment					
Revolving Fund	—60	—60	---	674	64
Total increase	\$3,992	\$3,992	---		

RECOMMENDATIONS

Amount budgeted	\$38,485
Legislative Auditor's recommendation	38,485
Reduction	None

ANALYSIS

The level of service contemplated by the Soil Conservation Commission for the 1952-53 Fiscal Year is approximately the same as is provided in the current fiscal year. While the over-all increase is approximately 11.6 percent, or \$3,992, from \$34,483 estimated to be expended in the current fiscal year to \$38,485 requested for the 1952-53 Fiscal Year, it is almost entirely due to price increases in services and commodities and for merit salary adjustments.

There are two major exceptions to ordinary price increases, one of which is the item of rent which is anticipated to increase from \$2,442 in

the current fiscal year to \$3,240 in the 1952-53 Fiscal Year. This is due to the fact that the commission offices are being moved from Berkeley, where the lease expires in June of 1952, to new space in Sacramento, which is at a higher monthly rate.

The other major item is for printing costs which are anticipated to be increased from \$470 in the current fiscal year to \$1,340 in the next fiscal year, principally because the biennial report of the commission is due in that year, and it is estimated that it will cost approximately \$1,000 to print 900 copies of this report.

We recommend approval of the amount requested.

**Department of Professional and Vocational Standards
DEPARTMENTAL ADMINISTRATION**

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

ITEMS 219 TO 245 of the Budget Bill

Budget page 675

Budget line No. 8

**For Support of Departmental Administration From the Professional
and Vocational Standards Fund**

Amount requested	\$103,100
Estimated to be expended in 1951-52 Fiscal Year	99,965
Increase (3.0 percent)	\$3,135

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$2,216	\$2,216	---	675	56
Operating expense	73	73	---	676	6
Equipment	846	846	---	676	12
Total increase	\$3,135	\$3,135	---		

RECOMMENDATIONS

Amount budgeted	\$103,100
Legislative Auditor's recommendation	103,100
Reduction	None

ANALYSIS

The proposed expenditures for 1952-53 are estimated at \$103,110, an increase over estimated expenditures for 1951-52 of \$3,135, or 3 percent. The proposed expenditures maintain the same level of service as the current year.

We repeat our recommendation of previous years, for the adoption of centralized mailing, cashing and licensing operations. In June, 1950, the administrative analyst staff of the Department of Finance also recommended this centralization. In the 1950-51 Budget, the Legislature appropriated \$13,450 to enable the department to secure the equipment necessary to effectuate the change.

We further recommend that consideration be given to the installation of equipment for the reproduction of directories and forms of all kinds through an offset duplicating method rather than the more expensive