

**Department of Motor Vehicles
DEFICIENCY PAYMENTS**

ITEM 188 of the Budget Bill

For Payments of Deficiencies in Appropriations for the Department of Motor Vehicles From the Motor Vehicle Fund

Amount requested	\$100,000
Estimated to be expended in 1952-53 Fiscal Year	200,000
Decrease (50.0 percent)	<u>\$100,000</u>

RECOMMENDATIONS

Amount budgeted	\$100,000
Legislative Auditor's recommendation	100,000
Reduction	<u>None</u>

ANALYSIS

The Department of Motor Vehicles is prohibited by law from creating deficiencies. The emergency fund is available only to General Fund agencies. The Department of Motor Vehicles is supported from special funds and is not eligible to use the emergency fund. We believe this large agency should have recourse to an additional appropriation in case of unforeseen emergencies.

DEPARTMENT OF FISH AND GAME

ITEM 189 of the Budget Bill

Budget page 666
Budget line No. 50

For Support of Department of Fish and Game From the Fish and Game Preservation Fund

Amount requested	\$6,161,508
Estimated to be expended in 1952-53 Fiscal Year	6,091,145
Increase (1.2 percent)	<u>\$70,363</u>

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$127,325	\$127,325	---	676	9
Operating expense	137,410	137,410	---	676	10
Equipment	—189,734	—189,734	---	676	11
Less:					
Increased reimbursements	—4,638	—4,638	---	676	14
Total increase	<u>\$70,363</u>	<u>\$70,363</u>	---		

RECOMMENDATIONS

Amount budgeted	\$6,161,508
Legislative Auditor's recommendation	6,161,508
Reduction	<u>None</u>

ANALYSIS

The budget request of the Department of Fish and Game for the 1953-54 Fiscal Year represents the cost of operation for what might be termed the first full year of normal operation of the newly established

departmental organization. While this organization achieved departmental status prior to the legislative authorization of its budget for the 1952-53 Fiscal Year, it was not able to put into effect certain changes upon which were predicated the estimated expenditures for the current fiscal year. Consequently, the operations of this department are still in a transitional state and it is not practical to make a logical or satisfactory comparison between the current fiscal year and the expenditures proposed for the 1953-54 Fiscal Year.

The Legislative Auditor's analysis of the original budget proposal for the current fiscal year indicated essentially the same point of view and concluded that it would be reasonable to permit a full year of normal operation of the new organization before attempting to analyze the effectiveness and efficiency of the new department. Consequently, the following is more in the nature of an explanation of certain of the changes taking place rather than an analysis of those changes.

To carry out its program for the first full year of departmental operation, the Department of Fish and Game is proposing a total expenditure of \$6,161,508 for the 1953-54 Fiscal Year. This represents a comparatively small increase of \$70,363 or approximately 1.2 percent over the expenditures estimated for the current fiscal year. However, a comparison should be indicated with the last full year of operation under divisional status as part of the Department of Natural Resources. The actual expenditures for the 1951-52 Fiscal Year were \$5,226,238. Therefore, the proposed expenditures for the 1953-54 Fiscal Year are greater by \$935,270 or approximately 17.9 percent. It might be said that this difference represents the change from divisional to departmental status. It is recognized that certain increases would have occurred even if the organization had remained as a division of the Department of Natural Resources, but it is doubtful that the increase would have equaled almost 18 percent.

While the change from the current fiscal year to the proposed 1953-54 Fiscal Year is comparatively small, it should be pointed out that the increased figure results from fairly substantial increases in fixed recurring costs which have been offset by a reduction in estimated expenditures of a transient nature. The cost of salaries and wages is proposed to be increased by \$127,325 or approximately 3.8 percent over the amount estimated to be expended during the current fiscal year. Operating expenses are proposed to be increased by \$137,410 or approximately 5.7 percent over the amount estimated to be expended during the current fiscal year. These two increases are offset by a reduction of \$189,734 in anticipated purchases of equipment as compared with the current fiscal year. The increase in salaries and wages is partially the result of the proposal to establish ten new positions to staff fish hatcheries in the fisheries management operation. The cost of these positions for the first year is \$30,072. The balance of the increase in salaries and wages is the result of both normal merit salary adjustments and the fact that certain positions will for the first time be reflected on a full year basis.

The increase in the operating expenses is the reflection of a series of increases in certain categories and decreases in others. For instance, the cost of providing fish and game food in the fisheries management program is proposed to be increased by \$193,427 or almost 70 percent from

\$276,325 estimated to be expended during the current fiscal year to \$469,752 in the 1953-54 Fiscal Year. In the same field the cost of light, heat, water and power is proposed to be increased by approximately \$14,000 or almost 32 percent over the current fiscal year. On the other hand, there is an item of emergency duck feeding in the current fiscal year amounting to \$25,000 not proposed to be repeated in the 1953-54 Fiscal Year which therefore represents a reduction in operating expense. In administration for the current fiscal year there were two items totaling \$15,000 for the moving of headquarters equipment and personnel from San Francisco to Sacramento. This item does not again recur in the 1953-54 Fiscal Year, resulting in a reduction of operating expenses. Also, the pro-rata charges that were previously assessed by the Department of Natural Resources for departmental administration do not again occur in 1953-54.

The substantial reduction in purchases of equipment anticipated for the 1953-54 Fiscal Year, as compared with the current fiscal year, represents a transient charge or cost which bears no real relationship to the general cost of operating the Department of Fish and Game. The replacement of one or two patrol vessels in any one year would substantially distort the total cost of equipment for that year as compared with other years. The same thing is true of replacement or addition of research vessels or the replacement of an unusual number of patrol cars since there is no set pattern for these replacements other than the fact that they are based on a 100,000 mile life for the vehicles.

The increasing fixed costs were pointed out in the foregoing in order to indicate the rising discrepancy between total expenditures and total revenues. The following table indicates total revenues as compared with total expenditures for a five-year period, of which the last two years are estimated figures and the first three are actual.

	1949-50	1950-51	1951-52	1952-53	1953-54
Total revenue ----	\$5,679,640	\$5,598,634	\$5,805,952	\$5,989,142	\$6,011,636
Total expenditures	5,297,936	5,312,762	6,162,076	7,348,218	7,316,693

It will be seen from the foregoing tabulation that in the years 1949-50 and 1950-51, total revenue exceeded total expenditures. However, in 1951-52 expenditures exceeded revenues by almost \$360,000. In the current fiscal year the estimated expenditures will exceed the estimated revenues by over \$1,350,000 and in the 1953-54 Fiscal Year the expenditures will exceed revenues by over \$1,300,000. As a consequence of these over-expenditures, the accumulated surplus as of June 30, 1954, is estimated to be down to \$3,120,721, an amount which will be exhausted in less than three years at the present rate at which spending exceeds revenues. It appears then that the time has come for the most serious consideration to be given to the problem of correcting the excess of expenditure over revenue either by some form of increase in revenue or by a reduction in expenditure to match existing revenue.

DEPARTMENT OF FISH AND GAME

ITEM 190 of the Budget Bill

Budget page 676
Budget line No. 76

For Support of Game Management in Cooperation With the Federal Government as Provided by the Pittman-Robertson Act From the Fish and Game Preservation Fund

Amount requested	\$387,500
Estimated to be expended in 1952-53 Fiscal Year	387,500
Increase	None

RECOMMENDATIONS

Amount budgeted	\$387,500
Legislative Auditor's recommendation	387,500
Reduction	None

ANALYSIS

The Federal Government under the authority of the Pittman-Robertson Act provides 75 percent of the cost and the State provides 25 percent of the cost of a program of construction and improvements in the field of game management. The actual work is performed by the California Department of Fish and Game. The scope of the program is proposed to be continued in the 1953-54 Fiscal Year at the same level as that provided in the current fiscal year. Consequently, we recommend approval of this item as requested.

DEPARTMENT OF FISH AND GAME

ITEM 191 of the Budget Bill

Budget page 677
Budget line No. 55

For Support of Fisheries Management in Cooperation With the Federal Government as Provided by the Dingell-Johnson Act From the Fish and Game Preservation Fund

Amount requested	\$40,850
Estimated to be expended in 1952-53 Fiscal Year	41,373
Decrease (1.3 percent)	\$523

RECOMMENDATIONS

Amount budgeted	\$40,850
Legislative Auditor's recommendation	40,850
Reduction	None

ANALYSIS

In the same manner in which it provides for game management, the Federal Government provides for fisheries management under the authority of the Dingell-Johnson Act. In this program, the California Department of Fish and Game also performs the necessary work. There is a very slight downward adjustment in the over-all cost of the program which is reflected in a slight decrease in the State's share for the 1953-54 Fiscal Year. We recommend approval of this item as submitted.

**Department of Fish and Game
PACIFIC MARINE FISHERIES COMMISSION**

ITEM 192 of the Budget Bill

Budget page 677
Budget line No. 84

For Support of Pacific Marine Fisheries Commission From the Fish and Game Preservation Fund

Amount requested -----	\$16,500
Estimated to be expended in 1952-53 Fiscal Year -----	15,100
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Increase (9.3 percent) -----	\$1,400

RECOMMENDATIONS

Amount budgeted -----	\$16,500
Legislative Auditor's recommendation -----	16,500
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Reduction -----	None

ANALYSIS

The three States of Washington, Oregon and California cooperate through the Pacific Marine Fisheries Commission to promote conservation of the marine resources and encourage uniformity among the three states in the methods and practices connected with the Marine Fisheries Industries in each state. Financial cooperation is proportionate to the value of the catch in each state. The total operating budget for the commission is \$25,000 and since it is anticipated that the California catch will be proportionately higher than that of the other two states during the 1953-54 Fiscal Year, there is proposed a slight increase in the California share of the cost. We recommend approval of this item as submitted.

MARINE RESEARCH COMMITTEE

ITEM 193 of the Budget Bill

Budget page 680
Budget line No. 8

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

Amount requested -----	\$78,915
Estimated to be expended in 1952-53 Fiscal Year -----	142,000
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Decrease (44.4 percent) -----	\$63,085

RECOMMENDATIONS

Amount budgeted -----	\$78,915
Legislative Auditor's recommendation -----	78,915
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Reduction -----	None

ANALYSIS

The primary function of the Marine Research Committee is to determine upon a program of research and to allocate portions of this program to various research organizations which perform the service on a contractual basis. The bulk of the funds allocated to the Marine Research Committee are therefore expended by several research organizations rather than by the Marine Research Committee itself.

The magnitude of the research program has been geared largely to the availability of funds produced by the Sardine Privilege Tax. The expenditures estimated for the current fiscal year are considerably in excess

of the revenue anticipated and represent the use of most of the surplus which had developed over several years. The program for the 1953-54 Fiscal Year is therefore based on the availability of only the Sardine Privilege Tax revenue that is estimated to be received during the 1953-54 Fiscal Year. This would reduce the scope of the program by almost 50 percent. No estimate of the allocations to the various research organizations has been made at this time, but will probably be dependent upon determinations made by the Marine Research Committee at a later date. Since the declining sardine catch is a matter of considerable concern to the Marine Fisheries Industry of the State of California, it would appear that a continuation of the research program is justified. Consequently, we recommend approval of this item as requested.

**Department of Natural Resources
DEPARTMENTAL ADMINISTRATION**

ITEM 194 of the Budget Bill

Budget page 684
Budget line No. 34

For Support of Departmental Administration From the General Fund

Amount requested	\$265,703
Estimated to be expended in 1952-53 Fiscal Year	238,231
Increase (11.5 percent)	\$27,472

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	—\$32,048	—\$32,048	---	685	63
Operating expense	—7,139	—7,139	---	686	18
Equipment	—307	—307	---	686	26
Plus:					
Decreased reimburse- ment	66,966	66,966	---	686	42
Total increase	\$27,472	\$27,472	---		

RECOMMENDATIONS

Amount budgeted	\$265,703
Legislative Auditor's recommendation	265,703
Reduction	None

ANALYSIS

The cost of departmental administration in the Department of Natural Resources is being proposed for the 1953-54 Fiscal Year at practically the same level as was originally proposed when the budget was being considered for the 1952-53 Fiscal Year. At that time the total amount requested was \$262,833, whereas the request now is for \$265,703.

The budget for 1952-53 was based on the assumption that accounting and administrative services being furnished to the Department of Fish and Game would be dropped at the beginning of the 1952-53 Fiscal Year. Actually, this was not possible, so that in effect departmental administration was continued at the same level that was provided during the 1951-52 Fiscal Year. It is contemplated now that the separation of the services being provided for the Department of Fish and Game will be effected on April 1, 1953.