

**Secretary of State
COLLECTION AGENCIES DIVISION**

ITEM 38 of the Budget Bill

Budget page 50
Budget line No. 49

For Support of the Collection Agencies Division From the Collection Agency Fund

Amount requested	\$38,641
Estimated to be expended in 1953-54 Fiscal Year	40,308
Decrease (4.1 percent)	\$1,667

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$254	\$254	---	53	79
Operating expense	-641	-991	350	54	19
Equipment	-1,280	-1,280	---	54	26
Total increase	-\$1,667	-\$2,017	350	54	28

RECOMMENDATIONS

Amount budgeted	\$38,641
Legislative Auditor's recommendation	38,291
Reduction	\$350

ANALYSIS

Recommended Reduction

<i>Out-of-state travel</i>	\$350
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The amount requested for the support of the Collection Agency Division has decreased \$1,667 or 4.1 percent. This decrease is due to reductions in amounts requested for operating expenses and equipment.

An amount of \$350 is requested for out-of-state travel. It is contemplated that the chief of the division will attend the convention of the American Collectors Association to be held in June, 1955. We fail to see the necessity or justification for this item of expenditure. It is our opinion that only where it is particularly to the state's interest, should out-of-state travel be approved. Since we believe that the size and significance of the agency's function does not justify the inclusion of this item, we recommend that it be deleted.

We repeat our recommendation of previous years that the proper place for this function is in the Department of Professional and Vocational Standards. We recommend that the Legislature refer this matter to the appropriate Legislative committee for consideration of the transfer of this function.

DEPARTMENT OF AGRICULTURE

ITEM 39 of the Budget Bill

Budget page 56
Budget line No. 69

For Support of Department of Agriculture From the General Fund

Amount requested	\$5,649,580
Estimated to be expended in 1953-54 Fiscal Year	5,527,985
Increase (2.2 percent)	\$121,595

Department of Agriculture—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$152,483	\$152,483	---	79	9
Operating expense -----	58,480	58,480	---	79	10
Equipment -----	70,736	70,736	---	79	11
Increased reimbursement --	18,632	18,632	---	--	--
Total increase -----	\$121,595	\$121,595	---	79	32

RECOMMENDATIONS

Amount budgeted -----	\$5,649,580
Legislative Auditor's recommendation -----	5,649,580
Reduction -----	None

ANALYSIS

The program for the General Fund support activities of the Department of Agriculture for the 1954-55 Fiscal Year provides for an increase of 15 authorized positions and a total additional cost of \$121,595 or approximately 2 percent over the amount estimated to be expended during the 1953-54 Fiscal Year. The increased cost is composed of \$59,482 in the Division of Plant Industry, and \$72,738 in the Division of Animal Industry, both of which are partially offset by a reduction of \$16,661 in the Division of Marketing.

Departmental Administration

The cost of the activities of Departmental Administration are proposed to be increased by a small degree to the extent of \$6,036, and the addition of two positions. These two positions represent work load demands in part, and recommendations for centralized mail handling in the new quarters at 1020 N Street in Sacramento, as made by the Division of Audits and Management Analysis of the Department of Finance in a recent survey. We believe the work load justifies the increase in this activity.

Division of Plant Industry

The activities of the Division of Plant Industry are proposed to be conducted at substantially the same level during the 1954-55 Fiscal Year as during the current fiscal year. However, the cost of these activities will be increased by \$59,482, and three permanent positions are proposed to be added. Substantially all of the monetary increase occurs in the activity related to the destruction and control of beet leafhoppers and host plants and in the Bureau of Plant Quarantine. In the latter case, the increase is due to normal salary adjustments in what constitutes the largest single group of employees in the Division of Plant Industry. In the former, the increased cost is due to the fact that costs for materials and chemicals and contract applications of these chemicals which were unusually favorable in the current fiscal year were not projected to be as favorable in the 1954-55 Fiscal Year. Actually, the total cost for this particular activity in the 1954-55 Fiscal Year is somewhat less than experienced in the 1952-53 Fiscal Year.

The three additional positions requested do not involve increased salaries and wages because estimates for temporary and seasonal help

Department of Agriculture—Continued

are reduced in amounts substantially equivalent to or exceeding the cost of these three positions. The balance of the activities of the Division of Plant Industry are estimated to be slightly reduced in cost, which produces a partial offsetting of the increases mentioned above. The over-all increase for the Division of Plant Industry appears to be justified, and the three additional positions are recommended on a "trade" basis.

Division of Animal Industry

The activities of the Division of Animal Industry for the 1954-55 Fiscal Year are proposed to be increased to the extent of four additional positions and \$72,738 in added costs. More than half of the added cost and two of the positions are attributable to the Bureau of Livestock Disease Control. A substantial part of the increased cost in this bureau is traceable to the fact that the 1953 Legislature provided an additional laboratory for the southern part of the State in Antelope Valley for which the first full year's operation occurs in the 1954-55 Fiscal Year. The two additional positions are to provide for the increased work load in the inspection section of the bureau and additional assistance in the new laboratory in Sacramento, which is expected to be ready for occupancy by October of 1954.

The balance of the increase in the Division of Animal Industry is divided between the Bureau of Dairy Service and the Bureau of Meat Inspection, with one additional position being proposed for each bureau. In the case of the dairy service, the additional position is needed to handle the expected large increase in licenses for the manufacture and sale of imitation ice cream. The estimated increase in license fees more than offsets the cost of this position. In meat inspection, an additional clerical position is justified by the increased work load of inspection.

Division of Marketing

The over-all expenditure program of the Division of Marketing, as proposed for the 1954-55 Fiscal Year, indicates a decrease of \$16,661, despite the fact that six additional positions are requested, four in the general marketing service and two in the Bureau of Market News. The cost of the additional positions in the general marketing service is almost completely offset by an estimated increase in reimbursements from trust fund marketing orders and programs. Since these positions appear to be reasonably well tied to the increased work load, we believe they are justified.

The two additional positions in the Bureau of Market News actually represent the continuation of two positions which were provided for in the current fiscal year by special legislation in Chapter 1520 in the Statutes of 1953 for the purpose of providing market news service from the South San Francisco stockyard which, prior to 1953, had been provided by the Federal Government and abandoned by them. The special legislation provided \$12,000 for this purpose, and the continuation in the regular budget amounts to somewhat less than that figure. Otherwise, the over-all reduction in the cost of the Division of Marketing is primarily attributable to the fact that the 1953-54 Fiscal Year was the final year for the conversion of the Market News Radio

Department of Agriculture—Continued

Service, so that the expenditures for new radio equipment do not occur again in the 1954-55 Fiscal Year. Also, additional automobiles purchased in the 1953-54 Fiscal Year for the Bureau of Weights and Measures does not occur in the 1954-55 Fiscal Year.

In view of the foregoing, we recommend approval of the General Fund support budget of the Department of Agriculture as submitted.

**Department of Agriculture
FEDERAL COOPERATIVE MARKETING RESEARCH**

ITEM 40 of the Budget Bill

Budget page 57
Budget line No. 7

**For Support of Federal Cooperative Marketing Research From the
General Fund**

Amount requested -----	\$59,595
Estimated to be expended in 1953-54 Fiscal Year -----	56,643
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Increase (5.2 percent) -----	\$2,952

RECOMMENDATIONS

Amount budgeted -----	\$59,595
Legislative Auditor's recommendation -----	59,595
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Reduction -----	None

ANALYSIS

The Department of Agriculture proposes during the 1954-55 Fiscal Year to continue its marketing research in cooperation with the Federal Government at substantially the same level as during the current fiscal year. While a slight increase in cost, amounting to \$2,952, or approximately 5 percent, is projected, it should be pointed out that the amount being requested is slightly less than that which was provided by the 1953 Legislature for the same purpose. This amount was \$61,895, but it is estimated that approximately \$5,000 will remain unexpended at the end of the current fiscal year. In view of the fact that this cooperative program covers a number of projects of considerable importance to the agriculture of the State, and since the Federal Government shares equally in the cost of the research work, we believe that a continuation is justified. *Therefore, we recommend approval of this item as submitted.*

**Department of Agriculture
REAPPROPRIATION OF BALANCE IN ITEM 42 BUDGET ACT OF 1953**

ITEM 41 of the Budget Bill

Budget page 57
Budget line No. 29

**For Reappropriation of Balance in Item 42 Budget Act of 1953
From the General Fund**

This item reappropriates any unexpended balance, as of June 30, 1954, in Item 42 of the Budget Act of 1953, which appropriated \$25,000 for the expenses of moving their Department of Agriculture to its new quarters in the old Motor Vehicle Building in Sacramento. Since the building may not be ready by June 30, 1954, this item is necessary to permit moving in the 1954-55 Fiscal Year.

We recommend approval.

Department of Agriculture
DEPARTMENT OF AGRICULTURE FUND

ITEM 42 of the Budget Bill

Budget page 57
Budget line No. 40**For Support of Department of Agriculture From the Agriculture Fund**

Amount requested	\$4,726,991
Estimated to be expended in 1953-54 Fiscal Year	4,648,906
Increase (1.7 percent)	\$78,085

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$95,523	\$95,523	---	94	9
Operating expense	8,196	8,196	---	94	10
Equipment	-25,634	-25,634	---	94	11
Total increase	\$78,085	\$78,085	---	94	13

RECOMMENDATIONS

Amount budgeted	\$4,726,991
Legislative Auditor's recommendation	4,726,991
Reduction	None

ANALYSIS

The cost of the special fund activities of the Department of Agriculture for the 1954-55 Fiscal Year is proposed to be increased by \$78,085, or approximately 1.7 percent over the expenditures estimated for the current fiscal year. The permanent authorized staff is proposed to be increased by 11 positions. The increase as a whole represents largely merit salary adjustments and increased staffing due to increased work load. The total estimated income for the Department of Agriculture Fund from revenues and interest from surplus money investments for the 1954-55 Fiscal Year is estimated to be \$4,749,481. For the same period the expenditures for support and contributions to the State Employees Retirement System are estimated to total \$4,916,761. This would leave a net operating deficit of \$167,280 for the fiscal year under consideration. However, the accumulated surplus on July 1 of 1954 is estimated to be \$3,269,048 which, at the current rate of deficit, would be capable of sustaining itself for over 25 years.

Division of Plant Industry

The over-all proposed expenditures for the 1954-55 Fiscal Year by the Division of Plant Industry will increase by only \$560 over the current fiscal year. The general level of activities would be approximately the same as in the 1953-54 Fiscal Year. Two additional positions are proposed in the Bureau of Field Crops; however, equivalent values are deducted from the seasonal and temporary categories of employee. Small increases in salaries and wages due to merit adjustments are mostly offset by reductions in proposed equipment purchases.

Division of Animal Industry

Proposed expenditures of the 1954-55 Fiscal Year by the Division of Animal Industry show a reduction of \$5,064 below the amount estimated to be expended in the current fiscal year. The level of service is

Department of Agriculture Fund—Continued

generally the same as in the current fiscal year. Slight increases in the category of salaries and wages due to merit adjustments are more than offset by reductions in amounts estimated for equipment purchases in the 1954-55 Fiscal Year.

Division of Marketing

Expenditures proposed for the 1954-55 Fiscal Year by the Division of Marketing show an increase of \$82,869 over the amount estimated to be expended in the current fiscal year. The major portion of this increased amount is attributable to the Bureau of Milk Control and the Bureau of Shipping Point Inspection, the balance of the activities of the Division of Marketing showing only minor increases. Nine additional permanent positions are proposed for the Bureau of Milk Control, which are entirely chargeable to the work load of this bureau which has been badly backlogged, particularly the milk auditing work. The increases in the Bureau of Shipping Point Inspection are largely the result of merit salary adjustments, since this bureau has the largest single staff of any one of the bureaus of the Division of Marketing.

In view of the foregoing, we believe that the increases proposed by the Department of Agriculture are justifiable on the basis of work load and, consequently, we recommend approval of the item as submitted.

POULTRY IMPROVEMENT COMMISSION

ITEM 43 of the Budget Bill

Budget page 97
Budget line No. 7

For Support of Poultry Improvement Commission From the Poultry Testing Project Fund

Amount requested	\$108,030
Estimated to be expended in 1953-54 Fiscal Year	79,151
Increase (36.5 percent)	\$28,879

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$8,197	\$8,197	---	98	78
Operating expense	18,252	18,252	---	99	4
Equipment	3,393	3,393	---	99	5
Additional reimbursement	-963	-963	---	99	10
Total increase	\$28,879	\$28,879	---	99	12

RECOMMENDATIONS

Amount budgeted	\$108,030
Legislative Auditor's recommendation	108,030
Reduction	None

ANALYSIS

The Poultry Improvement Commission, composed of seven members appointed by the Governor from the major poultry districts of the State and three ex officio members from the Department of Agriculture and the University of California, is authorized to conduct a poultry testing project to provide information to the poultry industry of California

Poultry Improvement Commission—Continued

as to the sources of breeding stock, and as to economically sound feeding and management practices. The project is supported in part by revenues from entry fees, sale of eggs and poultry, and miscellaneous income. However, the total revenues are insufficient to cover the cost of operation, and each year an additional appropriation is made from the Fair and Exposition Fund to make up the deficit and permit a small surplus, generally between 20 and 25 thousand dollars. For the 1954-55 Fiscal Year the proposed augmentation from the Fair and Exposition Fund is \$74,674.

The substantial over-all increase in the estimated cost of the poultry testing project results from the fact that the 1953 Budget Act, Item 289.1, provided \$76,500 from the Fair and Exposition Fund for the purchase of a site and the construction of brooding houses and other necessary facilities for the inauguration of a testing project for turkeys similar to the one being conducted for chickens. The new project is estimated to be ready to start at the beginning of the new fiscal year, and four additional positions are proposed to staff the project. However, two positions are proposed to be dropped from the chicken testing project as an offset, which makes a net increase of two positions. Since the new project was inaugurated by the Legislature, and since the additional cost of operation appears to be in line with the needs of such a project, we recommend approval of this item as submitted.

However, since the commission has authority to charge fees which will support the activity to a greater extent than at present, attention is directed to the trend of costs in relationship to revenues as indicated in the following tables.

<i>Year</i>	<i>Revenue</i>	<i>Total expenditures</i>	<i>Revenue as percent of expenditures</i>
1948-49	\$13,501	\$39,858	33.8%
1949-50	22,658	60,009	37.7
1950-51	34,139	70,987	48.1
1951-52	32,714	71,466	45.7
1952-53	40,071	77,885	51.4
1953-54 (Est.)	41,050	81,892	50.1
1954-55 (Est.)	40,850	111,156	36.7

Poultry Improvement Commission
AUGMENTATION OF THE POULTRY TESTING PROJECT

ITEM 44 of the Budget Bill

Budget page 99
Budget line No. 26

For Support of Augmentation of the Poultry Testing Project Fund From the Fair and Exposition Fund

Amount requested	\$74,674
Estimated to be expended in 1953-54 Fiscal Year	22,337
Increase (234.3 percent)	\$52,337

RECOMMENDATIONS

Amount budgeted	\$74,674
Legislative Auditor's recommendation	74,674
Reduction	None

**Poultry Testing Project—Continued
ANALYSIS**

The previous item for the support of the Poultry Improvement Commission explains the need for augmentation of the Poultry Testing Project Fund from the Fair and Exposition Fund. The large increase is primarily due to the fact that the estimated revenues from other sources remain at about the same level as that estimated for the current fiscal year, whereas the activity of the commission is considerably expanded by the new turkey testing program. We recommend approval of the item as submitted.

**DEPARTMENT OF CORRECTIONS
STATE PRISONS AND INSTITUTIONS SUMMARY**

The following table presents a comparison of various factors with respect to the nine facilities under the jurisdiction of the Department of Corrections: