

Pacific Marine Fisheries—Continued

ANALYSIS

This item provides for the payment of California's share of the operating budget of the Pacific Marine Fisheries Commission. The expenses of the commission are shared proportionately by the states of Washington, Oregon and California. The amount each state contributes is based on the value of the states' anticipated catch for the year.

The purpose of the commission is to promote conservation of the marine resources and to encourage uniformity among the three states in the methods and operations of the marine fisheries industries in each state.

We recommend approval of the item as requested.

**Department of Fish and Game
MARINE RESEARCH COMMITTEE**

ITEM 187 of the Budget Bill

Budget page 693
Budget line No. 7

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

Amount requested	\$100,000
Estimated to be expended in 1953-54 Fiscal Year.....	78,915
Increase (26.7 percent)	\$21,085

RECOMMENDATIONS

Amount budgeted	\$100,000
Legislative Auditor's recommendation.....	100,000
Reduction	None

ANALYSIS

The Marine Research Committee has the primary function of determining a program of research and allocating funds to contracting agencies performing this work.

The amount of research conducted has been determined by the availability of funds produced from the sardine privilege tax. The funds estimated for expenditure in the 1954-55 Fiscal Year are somewhat less than the anticipated revenue which will allow a slight surplus to accumulate.

Since the declining sardine catch is a matter of great concern to the marine fisheries industry of California, it would appear that the program is well justified. Consequently, we recommend approval of the item as requested.

DEPARTMENT OF NATURAL RESOURCES

ITEM 188 of the Budget Bill

Budget page 696
Budget line No. 39

For Support of Administration From the General Fund

Amount requested	\$272,020
Estimated to be expended in 1953-54 Fiscal Year.....	268,091
Increase (1.5 percent)	\$3,929

Department of Natural Resources—Continued

Summary of Increase

	Total increase.	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$8,032	\$8,032	---	698	17
Operating expense -----	1,200	1,200	---	698	39
Equipment -----	—3,736	—3,736	---	698	48
Increased reimbursement --	—1,567	—1,567	---	698	63
Total increase -----	\$3,929	\$3,929	---	698	65

RECOMMENDATIONS

Amount budgeted -----	\$272,020
Legislative Auditor's recommendation-----	272,020
Reduction -----	None

ANALYSIS

The Division of Administration of the Department of Natural Resources is proposing that for the 1954-55 Fiscal Year its budget be increased by \$3,929, or approximately 1.5 percent over the amount estimated to be expended in the current fiscal year. This represents substantially the same level of service as was approved by the 1953 Legislature for the 1953-54 Fiscal Year.

The increase is largely attributable to merit salary adjustments and slight increases in operating expenses which are partially offset by a reduction in expenditures for equipment purchases. The purchases of equipment, as originally proposed by the agency for the 1954-55 Fiscal Year, amounted to over \$11,000 about equally divided between replacement of existing equipment and additional equipment. After careful screening by the Department of Finance and the Legislative Auditor's Office, this total was reduced to \$3,317, of which only \$621 is for replacement of obsolete or worn-out equipment, and \$2,696 is for additional equipment. The latter is mostly for additional movie film to be used in connection with the conservation education program of the Department of Natural Resources. It appears that the proposed budget is geared to actual work load conditions and, consequently, we recommend approval of the item as requested.

Department of Natural Resources

EXHIBIT AT STATE FAIR

ITEM 189 of the Budget Bill

Budget page 696
Budget line No. 63

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

Amount requested -----	\$3,400
Estimated to be expended in 1953-54 Fiscal Year-----	3,400
Increase -----	None

RECOMMENDATIONS

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

Exhibit at State Fair—Continued

ANALYSIS

This item continues the policy of providing an exhibit for the Department of Natural Resources at the State Fair in Sacramento, payable from the Fair and Exposition Fund, for that portion of the department which is supported from the General Fund. The exhibit is anticipated to cost approximately \$5,000, with the difference being payable by proportionate assessments against the special fund activities of the Department of Natural Resources.

We recommend approval of the item as requested.

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

ITEMS 190-193 of the Budget Bill

Budget page 700
Budget line No. 12

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

Amount requested	\$2,663,939
Estimated to be expended in 1953-54 Fiscal Year	2,661,126
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Increase (0.1 percent)	\$2,813

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$70,972	\$70,972	---	705	75
Operating expense	8,622	8,622	---	705	76
Equipment	-73,781	-73,781	---	705	77
Increased reimbursements	-3,000	-3,000	---	705	81
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Total increase	\$2,813	\$2,813	---	705	83

RECOMMENDATIONS

Amount budgeted	\$2,663,939
Legislative Auditor's recommendation	2,663,939
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Reduction	None

ANALYSIS

The financing of the operations of the Division of Beaches and Parks is complex in that the over-all cost involves an appropriation from the State Park Maintenance Fund, which receives revenues from park fees and concession payments, the State Park and the State Beach Funds, which receive transfers from the State Lands Act Fund, from oil land revenues, and the General Fund, which is merely lending supplementary money subject to repayment if, as and when the off-shore tidelands oil royalties money is released by the Federal Government.

For the 1954-55 Fiscal Year, the Division of Beaches and Parks is proposing a budget which reflects substantially the same level of service as has been authorized for the current fiscal year. The proposed over-all cost of providing its service to the public is increased only \$2,813 over the amount estimated to be expended during the 1953-54 Fiscal Year. Nevertheless, the cost includes nine additional positions, which are reasonably well justified on the basis of increased work load, either

Division of Beaches and Parks—Continued

because of the opening of additional parks or because of substantially increased attendance at certain existing parks. Salaries and wages are estimated to increase by \$70,972, partially because of normal merit salary adjustments for existing positions, but primarily because of the nine additional positions proposed. Operating expenses are estimated to be increased by only \$8,622, which is comparatively small and is made possible only by substantial reductions in some items of expense. The increase in these two categories, on the other hand, is almost completely offset by very substantial reductions in the proposed expenditures for the purchase of equipment, both for replacement purposes and for additions. In the current fiscal year, the estimated expenditure for equipment is \$121,741, and for the 1954-55 Fiscal Year, it is \$47,960, a reduction of \$73,781, or over 60 percent less. The original request of the Division of Beaches and Parks for the purchase of equipment for the 1954-55 Fiscal Year totaled almost \$165,000 and was composed of approximately \$48,000 for replacement items and approximately \$116,000 for additional items of equipment. Through intensive review by the Department of Finance, the Division of Beaches and Parks, and the Legislative Auditor's Office, this total was reduced to the \$47,960 mentioned above. The latter amount is about evenly divided between replacement items and additional items. The additional items are largely required because of newly opened parks or expansion in existing parks to take care of increasing attendance.

From the standpoint of demands on the General Fund, the budget as proposed for the 1954-55 Fiscal Year requires a loan of \$1,515,709, which is \$523,752 less than the loan needs estimated for the current fiscal year. This reduced demand on the General Fund results from two major factors. First, the revenues from park fees, services, and park concessions are estimated to be increased by approximately \$175,000, as a result of the recent action taken by the State Park Commission increasing fees charged for the use of camping, picnicking, and trailer facilities in the various parks. The actual changes proposed by the State Park Commission are to increase the fee for a camp site per car, per night, from 50 cents to \$1; for a trailer site, per car and trailer per night, from 60 cents to \$1.50; and for a picnic unit, per car, per day, from 25 cents to 35 cents. Since these fees are on a per-car basis and, since the average occupancy is between three and four people per car, it would seem that even the increased fees are still quite nominal and are still far below the amount necessary to make any one park self-sustaining. We would like to point out that the Legislative Auditor has, for several years, recommended that steps be taken to make the various state parks more nearly self-sustaining than they have been in the past. This action on the part of the State Park Commission is a step in that direction, but still leaves a large gap between income and expenditure. Again, we recommend that consideration be given to increasing concession facilities of appropriate types at all parks and beaches wherever possible in order not only to increase the revenues from the park system, but also to better serve the public.

The second factor which helps to relieve the General Fund is the fact that increased transfers from the State Lands Act Fund, from non-controversial oil and miscellaneous revenues, increase the ability of the

Division of Beaches and Parks—Continued

State Park and the State Beach Funds to contribute to the support of the Division of Beaches and Parks:

We recommend that this item be approved as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 194 of the Budget Bill

Budget page 708
Budget line No. 45

For Support of Division of Forestry From the General Fund

Amount requested	\$9,481,415
Estimated to be expended in 1953-54 Fiscal Year	9,367,368
Increase (1.2 percent)	\$114,047

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$180,980	\$128,831	\$52,149	719	62
Operating expense	77,193	77,193	---	719	65
Equipment	148,461	148,461	---	719	66
	\$109,712	\$57,563	---	719	68
Decreased reimbursements	4,335	4,335	---	719	84
Total increase	\$114,047	\$61,898	\$52,149	719	85

RECOMMENDATIONS

Amount budgeted	\$9,481,415
Legislative Auditor's recommendation	9,391,753
Reduction	\$89,662

ANALYSIS

The Division of Forestry proposes to maintain substantially the same level of services in the 1954-55 Fiscal Year as has been authorized for the current fiscal year, with certain minor changes. However, the cost of these activities is estimated to be increased by \$114,047 or 1.2 percent over the total amount estimated to be expended during the current fiscal year. Most of the increase is anticipated to occur in the cost of operating the forestry honor camps. Increases in the other operations of the Division of Forestry are largely offset by a decrease in the cost of the field fire suppression services made possible by reduced expenditures for the purchase of equipment.

From the over-all standpoint, the major increase occurs in the category of salaries and wages which is anticipated to increase by \$180,980 over estimated expenditures for the current fiscal year. This is occasioned partly by normal salary adjustments and partly by proposed new positions in the forestry work camp program. Operating expenses are also anticipated to be increased by \$77,193 over the amount estimated to be expended during the current fiscal year. Here, too, more than half of the increase is occasioned by the forestry work camp program, and the balance largely attributable to administration and field services. On the other hand, expenditures for the purchase of equipment both for replacement of obsolete or worn-out items and for addi-

Division of Forestry—Continued

tional equipment are anticipated to be reduced by \$148,461, primarily in the field services program. The original proposals for purchases of equipment in the 1954-55 Fiscal Year presented by the Division of Forestry involved the expenditure of \$622,958 for replacement items, and \$233,753 for additional items, or a grand total of \$856,711. Intensive scrutiny of these proposals by the Department of Finance, the Division of Forestry and representatives of the Legislative Auditor's Office resulted in an over-all reduction of over \$265,000, so that the request as now presented includes only \$509,647 for replacement items, and \$81,331 for additional items of equipment. While generally we would view additional equipment which is not directly geared to increased work load as being an expansion in service, we believe that the additional items now contained in the budget of the Division of Forestry represent items which are good investments in the sense that it is anticipated that they will help reduce operating costs or will correct patent inequities. For instance, there are a number of additional deep freeze units for outlying fire suppression stations which will help to reduce the cost of feeding by permitting the storage of larger quantities of perishable foods over longer periods of time and save costs by reducing the amount of spoilage and the number of trips necessary to supply the outlying stations from county headquarter facilities. Another type of item is the large capacity butane or propane storage tanks which would eliminate the use of the small high-cost cylinders and thus reduce the over-all cost of heating barracks, mess halls, residences, etc., in certain locations. In a number of instances additional refrigerators have been allowed for residences which were not previously so supplied and in which former personnel used privately owned equipment. This is in line with the over-all state policy that this type of equipment be supplied in state-owned residences.

Administration

The staffing and activity level of the headquarters administrative function of the Division of Forestry is proposed to be continued during the 1954-55 Fiscal Year at substantially the same level as that authorized for the current fiscal year. However, the over-all cost is estimated to increase by approximately \$30,000 primarily as a result of normal merit salary adjustments.

The headquarters administrative function of the Division of Forestry assumes the cost of radio maintenance and supplies for the entire division, since the radio equipment is serviced state-wide on a contract basis with the Division of Communications of the Department of Finance. We have pointed out each year, since the Division of Forestry relinquished the radio maintenance function, that the cost of the service had increased to an unjustifiably high degree. It is in this area that we believe at this time that some savings should be made. As of July 1, 1954, the Division of Forestry will have on hand 1,685 pieces of various types of radio equipment. For maintaining these, the Division of Forestry will be charged \$125 each, annually, or a total of \$210,625. In the 1954-55 Fiscal Year, 24 pieces of additional equipment will be installed at an estimated maintenance cost of \$42 each, based on the fact that these pieces will not be in operation for a full year. This will cost an

Division of Forestry—Continued

additional \$1,008. The installation costs of the additional equipment, plus installation costs for certain pieces of equipment to be replaced, will add \$3,730, to make a grand total of \$215,363.

We call attention to the inequitable manner in which these charges are assessed against various agencies by the Division of Communications. For instance, the Highway Patrol uses its equipment on a 24-hour basis 365 days a year and operates in every one of the 58 counties of the State. The Division of Forestry, on the other hand, operates on a 24-hour basis only during the fire season, roughly about five or six months out of each year, and the balance of the time it is on a stand-by basis, with very little utilization of the system. Furthermore, there are many counties in which the division does not operate or have any radio equipment. For instance, one of the major repair points for the Division of Communications is in Los Angeles County, in which the Division of Forestry has no establishments and no equipment, since this county has its own fire-fighting system. Another important factor that should be taken into consideration in computing costs is the fact that of the 1,685 pieces of equipment mentioned above, 453 are the so-called "handie talkies," 147 units are portable types, and 39 are mobile relays. This equipment is probably the least used of all, since generally it is employed only during actual fires, so that the average use over the period of a year would be considerably lower than for the equipment permanently attached to trucks, automobiles and fire fighting equipment. Actually, the transmitter-receivers mounted in the sedans and pickups get the most use, but yet far less than similar equipment in Highway Patrol cars. It would be conservative to state that the charge made to the Division of Forestry for its equipment should average at least 25 percent less than the charge made to the Highway Patrol. We would like to point out that this inequitable method of levying charges is penalizing the Division of Forestry and thereby penalizing the General Fund to the benefit of special funds such as the Motor Vehicle Fund which supports the Highway Patrol. In view of the foregoing, we recommend that the charges made by the Division of Communications to the Division of Forestry be reduced from \$125 per unit to \$95 per unit, which represents approximately a 25 percent reduction. *The total of this reduction would be \$50,550.*

Field Operations—District Headquarters

The district headquarters operations of the Division of Forestry is proposed to be continued at substantially the same level in the 1954-55 Fiscal Year as has been authorized for the current fiscal year, with one additional position based on increased work load in districts 1 and 2. The cost of this operation is estimated to increase approximately \$21,000, primarily as a result of normal merit salary adjustments.

The additional position is actually a net figure resulting from the increase of two half-time positions to full-time positions. These are janitor positions needed to service the headquarters buildings and eliminate the use of more costly personnel for this work. Operating expenses and equipment purchases remain at substantially the same level as in the current fiscal year.

Division of Forestry—Continued

Field Operations—Field Services

The field operations function of the Division of Forestry represents by far the major activity of the entire division, in that it handles the fire prevention, control and suppression work, which is the primary duty and responsibility of the division. It is proposed that this activity continue at substantially the same level in the 1954-55 Fiscal Year as is authorized for the current fiscal year. However, the cost of the service will be slightly reduced to the extent of \$84,248 less than the amount estimated to be expended in the current fiscal year.

Salaries and wages for this function are estimated to increase by approximately \$49,000, entirely as the result of normal merit salary adjustments. Operating expenses will increase by approximately \$20,000, largely because of the increase in the cost of maintenance of the steadily expanding permanent plant and structures of the division. On the other hand, proposed expenditures for the purchase of replacement and additional equipment are approximately \$153,000 less than the amount estimated to be expended in the current fiscal year. This substantial reduction results mainly from two categories of equipment, additional automotive and additional radio items. In effect, this represents a tapering off of the expansion, equipment wise, of the Division of Forestry. As we pointed out in our analysis of the 1953 budget, the division has expended in excess of \$2,000,000 for additional equipment of all types during a five-year period, to increase its mobility, efficiency and striking ability, and we believe that it is now well able to remain at its present level for several years before additional expansion may become necessary.

Forestry Honor Camps

The forestry honor camp program of the Division of Forestry is proposed to be appreciably increased in the 1954-55 Fiscal Year over the level authorized for the current fiscal year. The increase involves a new work camp in Humboldt County proposed to be constructed during the 1954-55 Fiscal Year, and the addition of one forestry equipment operator in each of the 12 existing camps. Since additional inmates will be available for work projects, part of the increased cost is due to the payments made to the additional work crews.

Twelve additional forestry equipment operators, or 144 man-months equivalent, are being proposed on the basis that personnel to operate bulldozers and other heavy equipment in each of the 12 permanent camps was previously provided through the expenditure of capital outlay funds for specific projects. It is now desired to put these positions into the regular roster. However, we do not believe that this procedure can be justified for more than three of the 12 positions for the following reasons.

The initial work done by bulldozers and other equipment in the forestry camps was involved in the construction of the camps themselves and required some considerable degree of skill in the operation of the equipment. The work to be done now and in the future is largely road maintenance, simple road construction, brush clearing, and fire line construction. For this purpose we can see no reason why adult inmates cannot be trained to operate the equipment in question. We agree that in the three Youth Authority camps that it is probably desirable to

Division of Forestry—Continued

have an adult forestry employee operate this equipment. *Consequently, we recommend that only 36 man-months equivalent be allowed and that the request be reduced by \$39,112 in salaries and wages. In addition, any operating expenses or specific equipment which may have been scheduled for these additional positions should also be deleted.*

Forest Management

For the 1954-55 Fiscal Year the Division of Forestry proposes that its forest management activities be continued at the same activity and staffing level as was authorized for the current fiscal year. The cost of the activity is increased by slightly less than \$4,000 over the amount estimated to be expended for the current fiscal year and is attributable largely to merit salary adjustments.

One of the major activities of the forest management service of the division is in connection with providing technical forestry assistance to small timber owners who, in many cases, are actually farmers having some timber on their land. We believe that some consideration should be given to establishing a schedule of charges for this specialized service. It would seem that special technical service supplied to a comparatively small selected group of people would not be a proper charge on the General Fund, and that some form of reimbursement would be proper.

Range Improvement

The range improvement program of the Division of Forestry which operates in cooperation with private landowners is proposed to be continued at substantially the same level as is authorized for the current fiscal year. The cost of the activity is estimated to increase by \$683 over the expenditures anticipated for 1953-54. The increase is primarily in replacement equipment.

We believe that this is another area in which serious consideration should be given to the establishment of a schedule of fees to be charged for the specialized services offered by the Division of Forestry to a comparatively small and specialized segment of the public.

State Nursery

The nursery program of the Division of Forestry is proposed to be continued at approximately the same level for the 1954-55 Fiscal Year, as has been authorized for the current fiscal year. Actually, emphasis will be increased on the work done by the branch nurseries at several of the forestry honor camps, and the work at the Davis nursery will be reduced somewhat in over-all magnitude. The cost of the function is anticipated to increase by the small amount of \$289 over the amount estimated to be expended for the current fiscal year. It should be pointed out that the nursery operation is far from being self-sustaining. The cost of the operation for the 1954-55 Fiscal Year is approximately \$38,000, whereas the estimated revenue from nursery sales is approximately \$19,000. It may be that when the branch nurseries are operating at maximum efficiency that the gap between cost of operation and revenue will be appreciably decreased. However, we question whether the sales made by the Division of Forestry are at actual cost.

With the exceptions noted in the foregoing, we recommend that this item be approved as submitted.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 195 of the Budget Bill

Budget page 720
Budget line No. 18

*For Support of Direct Allotment to Counties for Cooperative Watershed
Protection From the General Fund*

Amount requested -----	\$777,233
Estimated to be expended in 1953-54 Fiscal Year -----	741,526
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Increase (4.81 percent) -----	\$35,707

RECOMMENDATIONS

Amount budgeted -----	\$777,233
Legislative Auditor's recommendation -----	777,233
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Reduction -----	None

ANALYSIS

This item is a continued recognition of the State's responsibility for certain areas within the seven counties which operate their own fire control system. These allotments are in lieu of direct protection by the State Division of Forestry which would require the establishment of suppression stations and other auxiliary facilities within these areas. The increased cost of this cooperation is based on the proportionate level of service furnished by these counties and the increased costs occasioned by increases in salaries and operating expenses.

We recommend approval of the item as requested.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 196 of the Budget Bill

Budget page 720
Budget line No. 32

*For Support of 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 1953-54 Fiscal Year -----	771,376
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Increase -----	None

RECOMMENDATIONS

Amount budgeted -----	\$771,376
Legislative Auditor's recommendation -----	771,376
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Reduction -----	None

ANALYSIS

This item reimburses the United States Forest Service for the protection of lands having state responsibility but lying within the boundaries of national forests or immediately adjacent thereto and which are therefore more readily protected by the forest service than would be possible by the State Division of Forestry. The cost of this service is exactly the same as that which was established for the current fiscal year.

We recommend approval of the item as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 197 of the Budget Bill

Budget page 720
Budget line No. 47

For Support of 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 1953-54 Fiscal Year.....	24,000
Increase	None

RECOMMENDATIONS

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

ANALYSIS

This item is a continuation of the long-range program which was initiated by Chapter 1415 of the Statutes of 1947. The research program is carried on by the United States Department of Agriculture and is aimed primarily at problems of rainfall and stream flow in the watershed area of Southern California. We believe this item continues to be of substantial importance and, consequently, we recommend approval as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 198 of the Budget Bill

Budget page 720
Budget line No. 59

For Support of White Pine Blister Rust Control Protection in Cooperation With United States Department of Agriculture From the General Fund

Amount requested	\$168,000
Estimated to be expended in 1953-54 Fiscal Year.....	168,000
Increase	None

RECOMMENDATIONS

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

ANALYSIS

This item is the continuation of a matching program with the Federal Government for the control of a disease which still causes considerable damage to the State's important sugar pine resource. The program has been held at this level for several years. We recommend approval of the item as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 199 of the Budget Bill

Budget page 720
 Budget line No. 80

*For Support of Emergency Fire Suppression and Detection From the
 General Fund*

Amount requested	\$320,000
Estimated to be expended in 1953-54 Fiscal Year	320,000
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Increase	None

RECOMMENDATIONS

Amount budgeted	\$320,000
Legislative Auditor's recommendation	275,000
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Reduction	\$45,000

ANALYSIS

This item provides a fund which is drawn upon only upon the occurrence of large fires requiring assistance beyond the capacities of the regularly established facilities of the Division of Forestry. No expenditures are made from the fund except upon certification that a state of emergency exists.

The average of actual expenditures for the Fiscal Years 1948-49 through 1952-53 from this emergency fund has been approximately \$274,000. For the current fiscal year the rate of expenditures has been such as to indicate that the totals for the year will probably not exceed \$275,000. In view of the fact that the amount budgeted appears to exceed probable needs *we recommend that this item be reduced to \$275,000, thereby saving \$45,000 for the General Fund.*

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 200 of the Budget Bill

Budget page 721
 Budget line No. 31

For Support of Forest Insect Control From the General Fund

Amount requested	\$35,000
Estimated to be expended in 1953-54 Fiscal Year	35,000
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Increase	None

RECOMMENDATIONS

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

ANALYSIS

This item provides for the continuation of a program of control of various forest insect infestations, primarily pine beetles. The work is done on both State and private forest lands, and where state expenditures are made on private lands the owners of such lands are required to match the amount expended either in cash or by contributed labor. The level of service is proposed to be continued substantially as is authorized for the current fiscal year. We recommend approval of the item as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 201 of the Budget Bill

Budget page 721
Budget line No. 50

For Support of Wild Land Vegetation and Soil Mapping Project From the
General Fund

Amount requested	\$77,000
Estimated to be expended in 1953-54 Fiscal Year	77,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$77,000
Legislative Auditor's recommendation	77,000
Reduction	None

ANALYSIS

This item represents a continuation of a program authorized by Chapter 1875 of the Statutes of 1953, for the mapping of wild land areas to show vegetation and soil conditions. The work is actually performed by the United States Department of Agriculture and the University of California. The amount proposed represents the value of the State's interest in the program. In all probability, the total project may take 10 years or more to complete. It would appear that the need for the type of information developed by the program justifies continued State participation. Consequently, we recommend approval of the item as requested.

Department of Natural Resources
DIVISION OF MINES

ITEM 202 of the Budget Bill

Budget page 722
Budget line No. 7

For Support of Division of Mines From the General Fund

Amount requested	\$460,140
Estimated to be expended in 1953-54 Fiscal Year	457,020
Increase (0.7 percent)	\$3,120

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$7,633	\$7,633	---	722	76
Operating expense	2,236	2,236	---	723	28
Equipment	-6,749	-6,749	---	723	45
Total increase	\$3,120	\$3,120	---	722	14

RECOMMENDATIONS

Amount budgeted	\$460,140
Legislative Auditor's recommendation	447,562
Reduction	\$12,578

ANALYSIS

The budget request by the Division of Mines for the 1954-55 Fiscal Year appears to be a continuation of the level of activity authorized by the Legislature for the 1953-54 Fiscal Year. The over-all increase as

Division of Mines—Continued

noted above amounts to \$3,120, or approximately 0.7 percent over the current fiscal year. The increase is composed of merit salary adjustments, some increases in operating expenses and a partially off-setting decrease in equipment purchases.

However, while the slight increase appears to indicate no change in level of service of the Division of Mines, it should be pointed out that during the current fiscal year following the approval of the budget by the 1953 Legislature, the staff of the Division of Mines was administratively upgraded. Three of nine authorized junior mining geologist positions were upgraded to the assistant mining geologist classification, and one of two authorized mining geologic aid positions was upgraded to the junior mining geologist classification. The basis for this upgrading is that the junior mining geologist classification is used for recruiting purposes, and upon proper experience and subsequent qualification, positions were reclassified to the next higher level of assistant mining geologist. The classification of mining geologic aid is no longer desired by the Division of Mines, and upon a vacancy during the current fiscal year the position was refilled by upgrading to junior mining geologist. Whatever the reasons for these changes, we wish to point out that the changes did result in an appreciable increase in the quality and working capabilities of the staff.

In the category of operating expenses for the Division of Mines, we believe that the time has come for a serious questioning of the cost of printing bulletins and maps. This item has averaged \$70,000 annually for several years, and the same level is being proposed for the 1954-55 Fiscal Year. From and including the 1948-49 Fiscal Year, revenues from the sale of publications and maps printed or prepared by the Division of Mines has consistently totaled less than one-half of the printing costs involved. In some years the revenues were approximately only one-third the cost of printing. Section 2209 of the Public Resources Code states as follows:

“The state mineralogist may fix a price upon and dispose of to the public all publications of the division, including reports, bulletins, maps, registers, or other publications. The price shall approximate the cost of publication and distribution. He may also furnish the publications of the division to public libraries without cost and may exchange publications with geological surveys, scientific societies, and other like bodies.”

It will be noted that the State Mineralogist is required to dispose of publications of the division at a price equal to the cost of publication and distribution, but that he may furnish them free to public libraries, et cetera. The fact that the revenues amount to less than half of the cost of printing alone, not to mention the cost of distribution which would include postage, leads to one of two conclusions; either the prices charged for the publications do not equal the cost of publication, or that the division is making a distribution of approximately half of its published matter without charge. A combination of these two may also be possible. For instance, in the 1952-53 Fiscal Year the first issue of the *California Journal of Mines*, which is published quarterly, was printed at a cost of \$2,300 for 2,000 copies. These were to be sold for

Division of Mines—Continued

\$1 each. The second issue cost \$2,224 for printing and binding alone for 2,000 copies at \$1 each. Bulletin No. 141 was printed at a cost of \$7,500 for 5,000 copies which were to be sold at \$1 each. In other cases, the potential return somewhat exceeded the cost of printing, but apparently there is no consistency between the amount charged for a publication and its actual cost of production. The *Mineral Information Service*, a monthly news release of the Division of Mines, is distributed free, including postage, and in the 1952-53 Fiscal Year the cost for this service was \$5,000 for printing 192,000 copies. For the 1954-55 Fiscal Year the Division of Mines proposes to continue the \$70,000 annual expenditure for printing of publications and bulletins, and estimates a revenue of \$33,000. *Consequently, we recommend that the cost of the publications be reduced by \$10,000 and that the division reduce the number of copies printed of each publication and reduce, as much as possible, the number of free distributions.* The excessive number of copies being printed of each publication is gradually producing a storage problem in the Division of Mines, and this would be one method of reducing that problem, as well as saving unnecessary expenditure.

The expenditures for equipment proposed for the 1954-55 Fiscal Year total \$8,809 for both additional and replacement items. While this is substantially less than the amount estimated to be expended in the current fiscal year for the same purpose, it contains \$2,578 for the second step in a five-year plan for the replacement of obsolete exhibit cases in the division's museum in San Francisco. While this may be desirable, the operation of the museum is not of as great value to the mining industry as other functions of the division and, in view of the General Fund shortages being faced by the State, we believe that the existing museum equipment could well be continued in use for some years. Section 2202 of the Public Resources Code merely directs that the State Mineralogist shall maintain a museum in San Francisco, but does not specify the magnitude or the scope of this museum. Section 2205 of the Public Resources Code also deals with the museum but, again, does not specify the magnitude of the installation. *Consequently, we recommend that the item of \$2,578 for replacement of exhibit cases be deleted from the budget.*

Section 2202 of the Public Resources Code is the only section in this code in which mention is made of a laboratory to be maintained by the Division of Mines. We do not believe that the language of this section is such as to imply that the services of the laboratory maintained by the division shall be available to the general public without cost. The work load figures of the division indicate that for the 1954-55 Fiscal Year it is estimated that the laboratory will make approximately 4,500 qualitative analyses for the public, free of charge. If we use as an analogy the fact that the code requires the Division of Mines to recover at least the cost of printing and distributing its publications, we believe that it would be appropriate that the same should hold true for the cost of providing qualitative analyses of mineral specimens submitted by the general public. We recommend, therefore, that the Division of Mines give serious consideration to setting up a schedule of charges for its laboratory services and that with such charges it should continue to limit its services to qualitative analysis only. If necessary,

Division of Mines—Continued

legislation should be introduced establishing such charges. It is our understanding that analyses of this type would run from \$3 to \$5 in commercial laboratories and, in many cases, higher than that. Consequently, a charge of \$2 per analysis would bring in a revenue in excess of \$8,000 annually.

Department of Natural Resources
DIVISION OF MINES

ITEM 203 of the Budget Bill

Budget page 723
Budget line No. 60

For Support of Geological Exploration From the General Fund

Amount requested	\$35,000
Estimated to be expended in 1953-54 Fiscal Year.....	35,000
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Increase	None

RECOMMENDATIONS

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

ANALYSIS

This item represents the continuation of a long-range program of geological survey, which is conducted in the State of California by the United States Government, the cost of which the State shares to the extent of \$35,000. We believe that the data, maps and reports furnished to the State Division of Mines, as a result of the surveys, constitutes a very essential tool to the work of the division and, consequently, we recommend that the item be continued as in the current fiscal year.

Department of Natural Resources
DIVISION OF OIL AND GAS

ITEM 204 of the Budget Bill

Budget page 724
Budget line No. 7

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

Amount requested	\$529,409
Estimated to be expended in 1953-54 Fiscal Year.....	492,965
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Increase (7.4 percent).....	\$36,444

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages.....	\$37,434	\$37,434	---	725	10
Operating expense	—954	—954	---	725	37
Equipment	—36	—36	---	725	47
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Total increase	\$36,444	\$36,444	---	724	14

RECOMMENDATIONS

Amount budgeted	\$529,409
Legislative Auditor's recommendation.....	529,409
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Reduction	None

Division of Oil and Gas—Continued

ANALYSIS

The Division of Oil and Gas is proposing a substantial increase in its expenditure budget for the 1954-55 Fiscal Year, as compared to that which was allowed for the current fiscal year. The increase amounts to \$36,444, or approximately 7½ percent more than the amount estimated to be expended for the 1953-54 Fiscal Year. Included in the increase are six additional positions, five of which are technical engineering positions and one clerical.

In our analysis of the budget for the 1953-54 Fiscal Year we pointed out that the Division of Oil and Gas had made requests for additional positions based on work load figures submitted. These requests were not recommended in their entirety because of the fact that it was our contention that the work load figures were not sufficiently clear to justify all of the positions requested. Since that time, the supporting data has been sufficiently refined and clarified to make it appear that there is a sufficient backlog of incompleted work and a sufficient volume of types of work that should be done but which are not being done because of lack of personnel, to justify the six additional positions. Since the Division of Oil and Gas is supported by assessments made on the producers of oil and gas based on volume, and since the industry appears to be reasonably well satisfied with the charges assessed against it for this service, we recommend that the item be approved as submitted.

Department of Natural Resources
SOIL CONSERVATION COMMISSION

ITEM 205 of the Budget Bill

Budget page 727
Budget line No. 7

For Support of Soil Conservation Commission From the General Fund

Amount requested	\$65,922
Estimated to be expended in 1953-54 Fiscal Year.....	43,726
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Increase (50.8 percent).....	\$22,196

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages.....	\$14,348	\$776	\$13,572	727	58
Operating expense	3,614	---	3,614	727	73
Equipment	4,312	1,072	3,240	728	7
Reimbursements	—78	—78	---	728	11
	<hr/>	<hr/>	<hr/>		
Total increase	\$22,196	\$1,770	\$20,426	727	13

RECOMMENDATIONS

Amount budgeted	\$65,922
Legislative Auditor's recommendation.....	44,922
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Reduction	\$21,000

ANALYSIS

The Soil Conservation Commission is proposing that for the 1954-55 Fiscal Year it be permitted to increase its working staff 60 percent from a present authorized total of five positions to eight positions. The additional three positions would actually double the technical working

Soil Conservation Commission—Continued

staff. The total cost of this increased level of service would be somewhat over 50 percent more than is estimated to be expended in the current fiscal year.

Article II, of Chapter II, of Division IX of the Public Resources Code, Sections 9040 through 9046, inclusive, set forth the powers and duties of the Soil Conservation Commission; of the sections mentioned, only 9041 is mandatory in that the word "shall" is used. Under this section the Commission shall assist in the formation, organization and operation of soil conservation districts. The other sections are permissive, using the word "may." We believe, therefore, that the work load of the Soil Conservation Commission may be considered a controllable one.

The increase in number of districts indicates that knowledge of the procedures to be followed in creating new districts should be greater than it has been in the past, and the work of the staff over the years should also be reflected in more adequate informational processes to prospective districts. The number of requests for new districts is gradually increasing, but we believe that the role of the State in furnishing advice can be refined through experience of existing districts and the State's staff so that no additional personnel will be required. We cannot recommend a 50 percent increase in this type of consultative and advisory service on the basis of work load or need. *Consequently, we recommend that the three additional positions requested be disapproved, together with that portion of the operating expenses and additional equipment which was provided for these three positions.* The savings would be approximately \$21,000.

**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.)

Budget page 729
Budget line No. 8

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

Amount requested	\$419,838
Estimated to be expended in 1953-54 Fiscal Year	412,551
Increase (1.8 percent)	\$7,287

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$1,890	\$1,890	---	730	76
Operating expense	5,104	3,932	\$1,172	730	77
Equipment	293	---	293	730	78
Total increase	\$7,287	\$5,822	\$1,456	730	80

RECOMMENDATIONS

Amount budgeted	\$419,838
Legislative Auditor's recommendation	419,838
Reduction	None