

Aeronautics Commission—Continued

This agency is requesting a continuation of the existing level of service with a resultant net budget increase of \$416 over estimated expenditures for 1953-54. This increase reflects normal salary adjustments and reduced operating and equipment costs.

During the current year, the Aeronautics Commission lost an airplane as a result of an accident and no provision has been made in the budget for replacement due to limited use of the planes in the past. This is largely a promotional function and in view of the need to eliminate all low priority, non-essential expenditures, we recommend elimination of the agency.

COLORADO RIVER BOARD

ITEM 255 of the Budget Bill

Budget page 869
Budget line No. 7

For Support of Colorado River Board From the General Fund

Amount requested	\$178,945
Estimated to be expended in 1953-54 Fiscal Year	162,403
Increase (10.2 percent)	\$16,542

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$8,417	\$8,417	—	869	59
Operating expense	12,104	—	\$12,104	870	20
Equipment	—3,979	—3,979	—	870	27
Total increase	\$16,542	\$4,438	\$12,104	870	29

RECOMMENDATIONS

Amount budgeted	\$178,945
Legislative Auditor's recommendation	162,403
Reduction	\$16,000

ANALYSIS

The long-threatened litigation with Arizona concerning the rights to water of the Colorado River became a reality with the filing of a suit by Arizona in August, 1952 (*Arizona v. California, et al.*), before the United States Supreme Court. In recognition of this fact the Legislature appropriated \$100,000 (Chapter 12, Statutes of 1953) for use in connection with the litigation. Half of this sum was allocated to the Attorney General, who provides legal services for the Colorado River Board, and half was allocated to the Colorado River Board. The board estimates that all of the \$50,000 allocated to it by this special appropriation will be expended during the current fiscal year and proposes that this higher expenditure level be maintained during the 1954-55 Fiscal Year. That the Legislature has shown an awareness of the importance of this dispute to the State of California is evident from the fact that expenditures for this agency have nearly doubled during the

Colorado River Board—Continued

past two years. The following table shows the manner in which these increases have occurred:

	<i>General Fund</i>	<i>Chapter 12, Statutes 1953</i>	<i>Total</i>
Actual 1951-52 -----	\$85,588	---	\$85,588
Actual 1952-53 -----	101,198	\$3,185	104,383
Estimated 1953-54 -----	115,588	46,815	162,403
Estimated 1954-55 -----	178,945	---	178,945

The importance of this suit to the State requires that adequate provision be made for the engineering data that is necessary in support of California's case. It is also important, however, at a time when all state agencies have been asked to hold their budget requests to a minimum, that the budget of the Colorado River Board be reviewed carefully to insure that only those items that are clearly justified by the requirements of the suit are included.

It is our opinion that the following reductions can be made without jeopardizing the position of the State of California in the litigation now pending before the United States Supreme Court:

<i>Item</i>	<i>Amount</i>	<i>Budget page</i>	<i>Line No.</i>
Special consultants -----	\$12,000	871	17
Printing -----	4,000	871	4

A service agreement was executed between the board and a consulting engineer, effective August 1, 1953, which calls for payment of services in the maximum amount of \$10,000 annually and reimbursement of actual traveling expenses in the amount of \$2,000, or a total of \$12,000. An additional amount of \$8,500 of Chapter 12 funds is included in the budget for the 1953-54 Fiscal Year to make provision for employment of additional engineering consultants as they are needed. In its budget request for the 1954-55 Fiscal Year the board has proposed that the services of the consulting engineer now employed be continued, at a cost of \$12,000, and that the contingency item for additional engineering consultants be increased from \$8,500 to \$12,000. Creation of contingency items in individual agency budgets is contrary to established legislative policy. For this reason we recommend that the item for special consultants be reduced to \$12,000, thus saving \$12,000.

Included in the board's request is an item of \$4,000 for reprinting the publication "California's Stake in the Colorado River." Provision was made in the 1953-54 budget for printing 100,000 copies of this pamphlet. This should be sufficient to meet the demands through the 1954-55 Fiscal Year, based upon the distribution rate during the past five years. We recommend that the allotment for printing be reduced by \$4,000.

Attention is directed to the fact that the item "Services—attorney and special representative—\$9,000" is only a part of the total amount budgeted for legal services for the board. An additional \$90,500 is requested in the Department of Justice budget for this purpose.

With the exceptions noted above, we recommend approval of the budget as submitted.