

Collection Agency Division—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	—\$1,138	—\$1,138	---	54	16
Operating expense -----	843	843	---	54	33
Equipment -----	68	68	---	54	40
Total increase -----	—\$227	—\$227	---	54	42

RECOMMENDATIONS

Amount budgeted -----	\$37,137
Legislative Auditor's recommendation -----	37,137
Reduction -----	None

ANALYSIS

This division licenses and supervises collection agencies. It has the power to issue supplementary rules and regulations governing the conduct of licenses, with authority to revoke licenses for the violation of the act or rules and regulations. A five-man State Collection Agency Board appointed by the Secretary of State serves as an advisory board in these matters.

The major change in this budget is a decrease in salaries which is due to a decrease in temporary help and terminal pay.

Approval of the amount requested is recommended.

DEPARTMENT OF AGRICULTURE

ITEM 40 of the Budget Bill

Budget page 57
Budget line No. 65

For Support of Department of Agriculture From the General Fund

Amount requested -----	\$5,673,009
Estimated to be expended in 1954-55 Fiscal Year -----	5,559,379
Increase (2.0 percent) -----	\$113,630

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages -----	\$96,624	\$70,956	\$25,668	80	38
Operating expense -----	22,137	10,022	12,115	80	39
Equipment -----	—2,011	—2,011	---	80	40
	\$116,750	\$78,967	\$37,783	80	42
Less:					
Increased reimbursements ---	—3,120	—3,120	---	80	44
Total increase -----	\$113,630	\$75,847	\$37,783	80	71

RECOMMENDATIONS

Amount budgeted -----	\$5,673,009
Legislative Auditor's recommendation -----	5,633,709
Reduction -----	\$39,300

Department of Agriculture—Continued

ANALYSIS

The General Fund activities of the Department of Agriculture are of a type designed to protect the general welfare of the agricultural industry and the public at large. Section 30 of the Agricultural Code reads as follows:

“The department shall promote and protect the agricultural industry of the State; prevent fraud and deception in the packing or labeling, or in any phase of the marketing of agricultural products governed by this code; prevent fraud and deception in the labeling and marketing of commodities, governed by this code, sold to producers for use in the production of crops in accordance with common practices; prevent the introduction and spread of injurious insect and animal pests, plant disease and noxious weeds; execute the provisions of this code, except as otherwise provided, and of other laws administered by the department; and may distribute such insects as are useful in reducing the cost of crop production.”

The application of this section could be outlined by the following types of activities:

1. Preventing the introduction of injurious pests and diseases of crops and livestock by having the State or county operate in behalf of the citizens of the State collectively, where the citizens individually would be powerless to act to prevent such introduction or spread.

2. Similarly, to preserve the welfare of the agricultural industry against excessive and burdensome costs of perennial pest control, when a pest had by chance gained entrance and was found to be in an incipient stage or well circumscribed so that it could be eradicated or prevented from spreading through the State by the expenditure of a relatively small sum by the State, again serving in behalf of its citizens collectively. The welfare involved here could be beneficial to the general over-all economy of the State, in that it would keep the agricultural industry in a more stable and less pest infested condition, would permit the free movement of the product without restrictions placed by other states, and keep the producers in a position so that they could properly support government through maintaining a proper position on the tax rolls.

3. To protect human health against any disease or pestilence which might accrue through the marketing of diseased or insanitary products, or of products which, because of the materials applied to them in preventing pest development, might prove injurious to human health.

4. To prevent fraud and deception in the labeling or marketing of agricultural products, for the benefit of the public generally.

5. To prevent fraud and deception in the labeling and marketing of commodities sold to producers for use in the production of crops.

6. To enforce and administer laws and rules and regulations thereunder designed to serve a general public benefit.

The foregoing points out generally the types of activities that are supported by the General Fund. These would be in contrast with those supported from the Agriculture Fund, which are generally industry

Department of Agriculture—Continued

requested, or of such a nature as to be of clear benefit to a particular branch or phase of the industry.

The General Fund support activities of the Department of Agriculture are proposed to be increased by \$113,630 for the 1955-56 Fiscal Year, or 2.0 percent more than the estimate for the current year. This increase in cost is comprised of \$20,932 in the Division of Plant Industry, \$42,441 in the Division of Animal Industry, \$48,456 in the Division of Marketing, and \$1,801 in departmental administration.

Departmental Administration

The function of departmental administration is to provide general administration, fiscal and personnel services to the department, as well as to disseminate agricultural information and statistics to the Governor, Legislature, public agencies and the general public.

There is no change proposed in the level of services provided by this activity. However, it will be noted that small increases are evident in salaries and wages which are due to normal salary adjustments and a lower estimate of salary savings. It is anticipated that operating expenses will be increased somewhat, since obsolete business forms are being replaced by a more modern type. The increase noted in equipment is based on the need to replace some old pieces of office equipment and provide more adequate facilities in this function's new quarters in the Agriculture Building.

Office Service Unit

This unit was set up in the 1953-54 Fiscal Year to provide central duplicating and related services for the department.

The cost of this unit is reimbursed by the budgets of the various activities receiving the services.

Division of Plant Industry**Administration**

The Chief of the Division of Plant Industry is responsible for the bureaus and functions that follow. This office proposes to maintain the same level of service as is authorized in the current fiscal year. The 1955-56 request indicates a small reduction in total for this office in the amount of \$150.

1. Bureau of Entomology

The function of this activity provides general supervision and coordination of the various insect eradication and control programs provided in this budget. These are set forth as special projects. The bureau renders advisory service to the county agricultural commissioners and provides an identifying and classification service for insect pests. The administration of the state laws on apiary inspection is another important function of this activity.

The level of service proposed for general entomology is the same as provided in the current fiscal year. The small increase in salaries and wages is due to normal salary adjustments. Operating expenses have risen by \$257, while the \$546 reduction in the request for equipment more than offsets this slight increase. The total increase in this activity proposed for the 1955-56 Fiscal Year resulting from the above is \$2,010.

Department of Agriculture—Continued

Destruction and Control of Beet Leafhoppers and Host Plants

This activity helps to control the beet leafhopper by spraying its host plants. This pest not only affects sugar beets, but can seriously affect tomatoes, melons, cucumbers, squash, and other crops.

The level of service requested for the 1955-56 Fiscal Year is substantially the same as is available in the current year. However, it is planned to add enough seasonal help to provide one additional spray crew of six men for three months for the elimination of host plants of the beet leafhopper. The remaining increase in salaries and wages is due to normal merit salary adjustments. Operating expenses have risen due mainly to the increased cost of DDT used in spraying host plants, and the increased cost of helicopter rental. Equipment has been increased \$1,300 over the current year, which is almost entirely attributable to one additional automobile, which would provide a foreman with transportation to enable him to supervise his crews more readily. At the present time he is required to use a pickup, which could be used to better advantage in the field work of the activity. The total increase for this function is \$20,030.

Grape Leaf Skeletonizer Eradication

The grape leaf skeletonizer is a moth whose larva skeletonizes and later completely destroys the foliage on grape vines. The pest is presently confined to southern Riverside and San Diego Counties. The level of service is proposed to be the same as for the current fiscal year, with slight reductions indicated in operating expenses caused by the termination of domestic vine removal in favor of parasite relief in San Diego County. Equipment shows a decrease which is brought about by the elimination of replacement automobiles in the projected year. The total for this program is \$2,635 below the current year.

Mexican Bean Beetle Suppression

The current function of this activity is to survey and inspect the various bean growing areas of the State for infestation of the bean beetle. A program of eradication has been completed. During the current and the 1953-54 Fiscal Year, only survey and inspection work has been needed, which is proposed to be continued during the budget year. If negative findings continue, the program will be dropped.

Cherry Fruit Fly Eradication

This service is attempting to eradicate the cherry fruit fly, which came into northern Siskiyou County from Oregon. This pest destroys the fruit and is very difficult to control. The problem was thought to be solved until a recent outbreak occurred in the City of Yreka.

The proposed level of service will be reduced somewhat as compared to the current fiscal year. A reduction of \$1,897 is noted in salaries and wages, which is due to the elimination of two crews used for scouting and cutting out seedling cherry trees. Operating expenses have likewise been decreased by the elimination of office rent, since space is being provided by the Siskiyou Agricultural Commissioner's Office. The remaining reduction in operating expenses is a result of reduced

Department of Agriculture—Continued

travel, since the areas now involved are not as widespread. The proposed fiscal year's budget would, therefore, be \$2,122 less than the estimate for the current year.

Hall's Scale Eradication

This is a cooperative project with the Federal Government, aimed at eliminating Hall's scale, which is an insect pest that affects all deciduous fruits, including almonds.

The level of service proposed for the 1955-56 Fiscal Year is approximately the same as authorized in the current year. However, it will be noted that a slight decrease is proposed in salaries and wages, which is caused by the elimination of seven man-months of labor used in host tree removal work. Operating expenses and equipment are anticipated to be the same as in the current year. The total for this function is \$1,870 lower than the estimate for the 1954-55 Fiscal Year.

Mexican Fruit Fly Survey and Treatment

The function of this activity is to prevent the establishment of the Mexican fruit fly in California. This pest attacks all citrus varieties of deciduous fruits.

The 1955-56 request will provide the same level of service as is available in the current year. The indicated decrease in operating expenses is due to a backlog of spray materials and the availability of other items from the current year. Equipment is also proposed at a lower figure, since no automobiles are requested. The total program anticipated for the 1955-56 Fiscal Year is \$9,447 below the estimate for the current year.

2. Bureau of Plant Quarantine

The bureau maintains 17 border stations on the major highways entering California, and three maritime inspection stations, for the purpose of preventing the introduction or spread of foreign and domestic insect pests. Activities of this type are also maintained by the agricultural commissioners of the various counties at common carrier depots, airports, military installations, et cetera. This program is carried on directly by the State or in cooperation with the Federal Government and the counties. The establishment of such pests could vitally reduce production and/or quality in addition to increasing the cost of production of agricultural products.

Services are proposed at the same level for the 1955-56 Fiscal Year as are available currently. Salaries and wages indicate an increase of \$8,802, which is due entirely to normal merit salary adjustments. Operating expenses are projected to be slightly lower than the current year, since the index to the quarantine handbook was printed recently, and it is not anticipated that new printing will be necessary in the proposed year. Equipment has been increased, since it is proposed to replace one more automobile than in the current year, and to provide additional and replacement office field equipment. The bureau's total request indicates an increase of \$11,110, or 1.0 percent over the current year's estimate.

Department of Agriculture—Continued

3. Bureau of Plant Pathology

This bureau concerns itself with diseases of plants, as distinguished from insect pests. The function of the bureau is to prevent introduction and spread of new disease, as well as to suppress and eradicate diseases when incipient outbreaks occur. This function cooperates with county agricultural commissioners and the Federal Government in providing technical advice. Diagnostic laboratories are operated by this bureau to facilitate the above.

It is proposed to operate this bureau at substantially the same level of service in the 1955-56 Fiscal Year as in the current year. Seasonal help has been decreased by \$3,231, which is caused by the Federal Government discontinuing the grape fan leaf survey work. This decrease is partially offset by \$1,654 necessary for normal salary adjustments. It should be pointed out that the elimination of the fan leaf project would reduce salaries and wages by \$5,667. However, the bureau proposes to add six additional man-months of technical help in the laboratory, and \$486 for two additional man-months of stenographic and clerical help. These positions are being added due to the increased volume of specimens requiring analysis. Operating expenses have been decreased somewhat, which is largely the result of discontinuing the grape fan leaf survey. Equipment has also been reduced. The need for certain laboratory equipment partially offsets the savings. The total requests of this bureau are \$4,659 lower than the amount estimated to be spent currently.

Quick Decline of Citrus

This function is part of the activities of the Bureau of Plant Pathology. The program is to control or prevent the spread of a virus disease in citrus trees known as "quick decline."

The level of service requested is the same as provided in the current fiscal year, with no significant change in salaries and wages or operating expenses. However, equipment has dropped considerably, since no automobiles are planned for replacement. The total request for this function is \$2,152 below the current year's estimate.

4. Bureau of Rodent and Weed Control and Seed Inspection

This bureau's function is to protect California's crops against depredations by injurious rodents, birds and against noxious weeds. The bureau also administers the California Seed Law, and cooperates with the Federal Government in enforcement of the Federal Seed Act. This requires sampling and inspection of seed.

The program proposed for the 1955-56 Fiscal Year is the same as the current year, with the increase in salaries and wages being caused by normal merit salary adjustments. Operating expenses show a slight decrease, while equipment has risen, for the most part, since two automobiles are scheduled for replacement. The resulting request of this bureau is \$4,478 higher than the estimated amount to be expended in the current fiscal year.

Department of Agriculture—Continued*Predatory Animal Control*

The function of this activity is to control predatory animals such as mountain lions, coyotes, bears, and bob cats, for the protection of cattle, poultry, sheep, and certain crops. The federal fish and wildlife service, as well as county and state agencies, cooperate in this program.

Services are proposed to be provided at the same level in the 1955-56 Fiscal Year as in the current year. Salaries and wages indicate that the only increases are for merit salary adjustments, while operating expenses are reduced slightly, since printed material on hand eliminates the need for additional printing. The need to replace an automobile requires \$900 to be set up in equipment, while no allotment was available in the current year.

Spray Residue and Injurious Materials Enforcement.

The function of this activity is to enforce provisions of the Agriculture Code designed to protect the consumer from poisonous spray residue on fresh and dried fruits and vegetables.

The level of service proposed in this activity is to remain the same as provided in the current fiscal year. A slight increase noted in salaries and wages is due to normal salary adjustment, while operating expenses show an increase caused by building rental being higher. This is occasioned by the moving of the general laboratory from the basement of State Office Building No. 1 to the new Agriculture Building. This increased rental is more fully explained in our analysis of the Special Fund item. Equipment is projected in the same amount for the 1955-56 Fiscal Year. The total increase in the proposed budget for this activity is \$2,285 higher than the estimate for expenditure currently.

Division of Animal Industry**Administration**

It is anticipated that service will be maintained at the same level in the proposed budget as is currently provided. The increase noted in salaries and wages is due to merit salary adjustments, while operating expenses are estimated in the same amount as the current fiscal year. The total increase for this office over the current year is \$362.

1. Bureau of Livestock Disease Control

The function of the bureau is to maintain a program of general livestock and poultry disease prevention, eradication and control, which is accomplished through inspections, quarantines and laboratory work. The activity includes control programs on bovine brucellosis, bovine tuberculosis and vesicular exanthema. The operation of diagnostic laboratories throughout the State is also a part of this bureau's operation.

The level of service proposed for the 1955-56 Fiscal Year is a substantial increase over the current fiscal year, for the most part, caused by the desire to extend the vesicular exanthema regulation in the 37 counties heretofore not included. The positions requested are comprised

Department of Agriculture—Continued

of five livestock disease control inspectors and two intermediate typist clerks.

Vesicular exanthema is similar to hoof and mouth disease. The Federal Government placed a quarantine on California in July, 1952, which prevented the shipping of swine or pork products out of California. In March, 1954, a regulation was adopted to eradicate vesicular exanthema from California, which was tried first in 21 northern counties. The success of this regulatory program can be judged by the fact that the remaining 37 counties are now requesting it also. It is estimated that this program, on a state-wide basis, will result in increased profits of \$1,500,000 to the swine industry. The above requested positions account for \$25,668 of the increase noted in salaries and wages over the current year. In view of the foregoing, we feel that the increase is justified.

In addition, the bureau is proposing to establish a new job classification which would be called "supervisor of laboratories, animal pathology." The proposed position would be filled by the reclassification of an existing veterinarian, grade III. An intermediate stenographer-clerk is also being requested to assist the above mentioned supervisor. The laboratories employ 32 technical and 15 janitorial and maintenance personnel at the present time. This does not take into consideration the 20-odd seasonal employees that are hired for pullorum testing. Since laboratories have been constructed at Fresno, Turlock and Lancaster in the last few years, in addition to enlarging others, and in consideration of the increasing work load in these activities, we feel that the positions requested are justified.

The position of veterinarian I is requested for the Sacramento laboratory, which would provide a staffing pattern similar to the other laboratories. It should be pointed out that this position will help relieve the shortage of help which would be caused by reclassifying one veterinarian III to the classification of supervisor of laboratories. In view of the above, we feel that this position is justified. The balance of the increases in salaries are a result of normal salary adjustments. Operating expenses show no significant change when comparing the proposed year with the current. Only minor adjustments appear which would be necessary to accommodate the proposed positions. Equipment has been reduced in comparison with the current year, primarily caused by less additional automotive equipment being requested. The request of this bureau is \$36,407, or 2.9 percent higher than the estimate for expenditure in the current year.

2. Bureau of Dairy Service

The function of this bureau is to inspect all places where milk products are produced, manufactured or handled in order to enforce sanitation laws. In addition, this activity inspects imitation milk manufacturing facilities, and enforces laws dealing with their operation.

The same level of service is proposed for the 1955-56 Fiscal Year, as is available currently. Normal merit salary increases account for the slight increase in salaries and wages, while operating expenses have remained practically the same. Equipment has dropped considerably,

Department of Agriculture—Continued

due primarily to one less automobile being requested for replacement, and less laboratory equipment being necessary. The total request of this bureau is \$2,519 lower than the estimate for 1954-55.

3. Bureau of Meat Inspection

The bureau enforces laws requiring inspection of meat to protect the public from unwholesome or otherwise objectionable meat products.

The level of service proposed in the 1955-56 request is substantially the same as in the current fiscal year. Salaries and wages show an increase which is due to normal merit salary adjustments, while operating expenses will remain substantially the same. Equipment shows a slight increase, which is occasioned by the need for photographic equipment used in the in-service training of inspectors. The total increase is \$8,191 over the current year's estimate of expenditures.

Division of Marketing

The chief of this division is responsible for the administration and coordination of the eight bureaus which make up the division.

The level of service proposed for 1955-56 is to remain the same as during the current year. However, it will be noted that a substantial increase is requested in salaries and wages. The bureau chief was appointed to the position of deputy director and has filled both positions up to the present time. This has resulted in considerable salary savings in this office for the current year. It is proposed to fill the chief's position in the current year, which results in a full-year's request in the projected budget.

General Marketing Service

The function of this service consists of providing assistance in solving the marketing problems of agricultural groups not organized under formal marketing laws. This service also provides assistance to new industries in formulating and obtaining marketing programs under the general marketing laws, and administration of the programs so formulated. It should be pointed out that the General Fund receives reimbursements for the latter two services from assessments and deposits from the industry.

The level of service requested indicates that the program will be substantially the same as in the current fiscal year. Salaries and wages have increased in order to provide for normal merit salary adjustments. It will be noted, however, that salary savings are estimated to decrease, while some temporary help has been eliminated. Operating expenses have risen as a result of increased office rent, while equipment has decreased, as no additional automobiles or office equipment is proposed in the projected fiscal year. The total increase for this service is \$139 greater than the amount estimated for expenditure in the current fiscal year.

1. Bureau of Market News

The function of this bureau is a cooperative activity with the Federal Government. The bureau reports on the marketing of agricultural commodities for sale on local, interstate and foreign markets. The reports contain information on prices, market conditions, demand, sup-

Department of Agriculture—Continued

ply, car lot movements, cold storage holdings, and other related information.

The program proposed for the 1955-56 Fiscal Year is to remain substantially the same as provided in the current year. However, one new position of assistant marketing specialist is being added on the basis of work load. The position would allow the reassignment of duties in the interest of both personnel and the work. It should be noted that over the past six years 13 additional market news offices have been established, which indicates the work load has increased considerably. Based on the above, we feel that the position is justified. The balance of the increase in this category is due to normal merit salary adjustments. Operating expenses have increased slightly as the result of higher office rental rates in several instances. Additional travel also has been requested as a result of the establishment of the South San Francisco office. A substantial reduction is noted in equipment, which is largely a result of the communications equipment replaced in the current year. The proposed budget of this bureau is \$1,883 higher than the current estimate for the present fiscal year.

2. Bureau of Agricultural Statistics

This bureau functions as a cooperative project with both the State and the Federal Government participating. Primarily, the duty of this bureau is to gather, prepare and publish estimates of production, acreage, value and other pertinent data and statistics that are valuable to the industry.

The proposed budget for 1955-56 indicates the same level of service is being provided as in the current year. The increase in salaries and wages is caused by decreased salary savings and normal merit salary adjustments. The anticipated printing of a bulletin containing records of production and other information on fruit and nut crops has increased the request for printing by \$1,685. The increase of \$300 in travel is the only other item in operating expenses that is requested in a greater amount than in the current year. This additional travel is needed in order to continue with projects started during the present year. Substantial increases are noted in equipment, which is caused by the need to purchase some minor additional items and replace some obsolete or unserviceable pieces. In addition, four automobiles are scheduled for replacement in the proposed budget, while only one was replaced during the present year. The total request of the bureau is \$61,445, which is \$7,625 greater than the estimate for the current year.

3. Bureau of Fruit and Vegetable Standardization

This bureau administers the sections of the agricultural code concerned with standards relating to fruits, vegetables, eggs and honey. The purpose of these is to protect the public against fraud and deception relating to grade, size, quality, maturity, et cetera. The bureau cooperates with the agricultural commissioners of the various counties who enforce these provisions under the direction of the bureau.

It is proposed to continue at the same level of service during 1955-56 as in the current year. Salaries and wages are anticipated to be increased by normal merit salary adjustments. The increase in office rent

Department of Agriculture—Continued

is occasioned by the moving of this bureau into the new Agriculture Building. The request for equipment reflects a minor raise caused by the need to provide one additional automobile, while other equipment categories have been reduced as a partial offset. The total for the bureau results in an increase of \$3,378 over the current fiscal year.

4. Bureau of Weights and Measures

This bureau assumes the responsibility for the licensing and regulation of public weighmasters and deputy public weighmasters, as well as supervising county sealers of weights and measures and their activities.

The level of service proposed is substantially the same as available in the current fiscal year. The increases in salaries and wages are due to normal merit salary adjustments. Operating expenses have increased somewhat as a result of a more intensified use of test vehicles. Also, the bureau is moving into the new Department of Agriculture building, which has required an increase in rent. Equipment has been increased substantially as a result of the proposed replacement of two large trucks used in vehicle scale testing.

Prior to the 1947-48 Fiscal Year, revenues collected for weighmaster and deputy weighmaster licenses and penalties provided more revenue to the General Fund than the activities of this function expended. We recognize that the cost of this service has risen steadily as a result of generally higher costs of government. However, as costs have gone up in other phases of our government, fees have likewise been increased. We therefore recommend that the fees charged by this bureau be raised as indicated in the following table, by amending Section 12701 of the Business and Professions Code.

	<i>Current estimated no. per yr.</i>	<i>Current rate</i>	<i>Current estimated revenue</i>	<i>Recom- mended rate</i>	<i>Projected revenue</i>
Weighmaster licenses ----	2,300	\$10.00	\$23,000	\$20.00	\$46,000
Weighmaster licenses— penalties -----	60	20.00	1,200	40.00	2,400
Additional locations— licenses -----	1,150	2.50	2,875	10.00	11,500
Additional locations— licenses—penalties -----	20	5.00	100	20.00	400
Deputies licenses -----	11,000	1.00	11,000	5.00	55,000
Deputies licenses— penalties -----	150	2.00	300	10.00	1,500
Miscellaneous -----			75		75
Totals -----			\$38,550		\$116,875

The revenue that would be derived, if the above schedule were adopted, would substantially cover the cost of this activity in the proposed budget. While the foregoing recommendation would not be reflected in the budget as a reduction of the appropriation from the General Fund for the Department of Agriculture, it should be pointed out that it does augment the revenues for the General Fund by an estimated \$78,325.

Included in this item for the Department of Agriculture is the request for the sum of \$39,300 for the acquisition of 3 additional and 34 replacement automobiles.

Department of Agriculture—Continued

In line with a policy recommendation by this office, affecting all automotive units, both additional and replacement, it is recommended that:

1. Funds for these items be deleted from the agency support budgets.
2. The Department of Finance request an augmentation of their budget to enable them to procure sufficient vehicles and to provide the agency with necessary transportation services through a fleet management program in the automotive management section.
3. The Department of Finance make necessary revisions in the support budgets of the agencies to delete direct related automotive operating expenses and provide an offset item for automobile mileage to permit the agency to reimburse the Department of Finance on a mileage basis for the fleet service.

**Department of Agriculture
FEDERAL COOPERATIVE MARKETING RESEARCH**

ITEM 41 of the Budget Bill

Budget page 57
Budget line No. 76

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

Amount requested -----	\$70,000
Estimated to be expended in 1954-55 Fiscal Year -----	70,000
Increase -----	None

RECOMMENDATIONS

Amount budgeted -----	\$70,000
Legislative Auditor's recommendation -----	70,000
Reduction -----	None

ANALYSIS

The State Department of Agriculture cooperates with the Federal Government in a program of marketing research. It is proposed to continue at the same level as the current fiscal year. The research projects currently under way concern the following:

1. Developing methods for certification of virus-free fruit and nut trees and vineyard stock.
2. Procuring information on marketing practices for all California agricultural products.
3. Developing new estimating and sampling techniques for use in agricultural statistics work.
4. Developing new standards of maturity and studying containers and packaging methods.

Since the Federal Government shares equally in this program and the projects are of considerable importance to the agricultural industry of the State, we feel that it should continue. Consequently, we recommend approval of the item as submitted.

Department of Agriculture

REAPPROPRIATION OF BALANCE IN ITEM 41 OF THE BUDGET ACT OF 1954

ITEM 42 of the Budget Bill

Budget page 58
Budget line No. 8

*For Reappropriation of Balance in Item 41, Budget Act of 1954,
From the General Fund*

ANALYSIS

This item appropriates any unexpended balance available as of June 30, 1955, in Item 41 of the Budget Act of 1954. Twenty-five thousand dollars was originally appropriated in Item 42 of the 1953 Budget Act to cover the expenses of moving the Department of Agriculture to its new quarters in the old Motor Vehicles Building in Sacramento. The alterations have not been completed and possibly will not be before June 30, 1955. This item is necessary to allow completion of the move in the 1955-56 Fiscal Year. Consequently, we recommend approval of this item.

DEPARTMENT OF AGRICULTURE

ITEM 43 of the Budget Bill

Budget page 58
Budget line No. 32

*For Support of Department of Agriculture From the Department
of Agriculture Fund*

Amount requested	\$4,832,646
Estimated to be expended in 1954-55 Fiscal Year	4,776,730
Increase (1.2 percent)	\$55,916

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$44,238	\$44,238	---	93	63
Operating expense	40,214	40,214	---	93	64
Equipment	—28,536	—28,536	---	93	65
Total increase	\$55,916	\$55,916	---	93	72

RECOMMENDATIONS

Amount budgeted	\$4,832,646
Legislative Auditor's recommendation	4,794,446
Reduction	\$38,200

ANALYSIS

The proposed increase in the Special Fund activities of the Department of Agriculture for the 1955-56 Fiscal Year is \$55,916, or 1.2 percent over the current year. One additional position is being requested, which would be added to the regular staff on the basis of increased work load. The balance of the increase in salaries and wages is almost entirely the result of merit salary adjustments. The increase of \$40,214 in operating expenses is due mostly to increased building rental charges. This is the result of the bureaus now occupying low rent space moving into the new Department of Agriculture building, which was financed by a loan from the Agriculture Fund. The rentals charged in the new building will repay the loan, plus interest, to the Agriculture Fund, as well as provide for maintenance and operation.

Department of Agriculture—Continued

The total estimated revenues for the Agriculture Fund during the 1955-56 Fiscal Year are \$4,897,710, while the gross expenditures for this period are estimated to be \$5,050,825. This would indicate an operating deficit of \$153,115 for the 1955-56 Fiscal Year. However, a surplus of approximately \$640,000 will still be available in the Agriculture Fund at the end of the 1955-56 Fiscal Year. The above surplus will be augmented by approximately \$80,000 each year in repayment of the building loan. Contemplated increases in some of the fees charged by various bureaus will further increase the revenues available to the Agriculture Fund. Therefore, we see no reason for concern over the apparent operating deficit proposed in the fiscal year under consideration.

Division of Plant Industry**1. Bureau of Plant Quarantine—Nursery Service**

The function of this bureau is to license nurseries and regulate the movement of nursery stock in order to prevent the transfer of pests, as well as to enforce standards in grades of stock. Certification and registration of pest-free stock is also part of the work of this bureau.

Approximately the same level of service is proposed for the 1955-56 Fiscal Year. However, a small amount of additional seasonal help is being requested to handle the increased work load in the certification of strawberry plants. The total proposed increase for the bureau is \$1,785.

2. Bureau of Field Crops

The activities of this bureau include inspection and certification to U. S. standards of various field crops, and enforcement of proper labeling of certain commercial feeds. The bureau registers, licenses and inspects public warehouses in order to control insects that might inhabit them.

The level of service in this bureau is planned to remain the same as in the current fiscal year, with slight increases in salaries and wages caused by normal merit salary adjustments. Operating expenses have been increased due to a higher rental rate in the new building, as mentioned earlier in our analysis of this item. The estimated increase caused by higher rent is \$17,635. The increase in salaries and wages and operating expenses is partially offset by a reduction in equipment, which results in a total increase for the bureau of \$14,845.

Seed Testing and Certification

This is an optional service conducted in the state seed laboratory to facilitate the production and marketing of certified seed.

The level of service will remain the same, with the total increase being only \$14 for this activity.

3. Bureau of Chemistry

This bureau samples and tests commercial fertilizers and economic poisons to assure informative labeling, and that injurious ingredients do not exceed the tolerances prescribed by the agricultural code.

It is contemplated to maintain the same level of service as is provided in the current fiscal year. The increases anticipated in salaries and

Department of Agriculture—Continued

wages are for merit salary adjustments, while operating expenses have been increased by the higher office rental rate.

Agricultural Pest Control Operators

The function of this unit is to license and control the operations of agricultural pest control operators so as to prevent fraud and deception in their activities.

The same level of service is planned for this operation, with slight increases caused by normal merit salary adjustments and increased office rent.

Division of Animal Industry**1. Bureau of Dairy Service**

The Agriculture Fund activities of this bureau provide inspection of market milk and ice cream, butter grading and inspection of glassware. This function serves to protect the industry from fraudulent and deceptive trade practices.

The level of service will remain the same in the 1955-56 Fiscal Year. Small increases in salaries and wages are noted, which result from merit salary adjustments, while operating expenses are higher due to increased office rent. However, these increases are more than offset by reductions in equipment, which results in a total reduction of \$2,772 for the bureau, over the current year.

2. Bureau of Livestock Identification

This bureau is charged with the responsibility of registering and licensing brands in order to protect the livestock owners from theft. It licenses slaughterhouses and inspects cattle for marks and brands. Through cooperation with local authorities and livestock owners, and the printing of the bureau's weekly bulletin, it is possible to return valuable stock to the rightful owners. Unclaimed strayed livestock are sold, and the proceeds from such sales are held in trust by the bureau.

The bureau proposes to continue at the same level of service as in the current year. However, one position of intermediate stenographer-clerk is requested because of increased brands, brand imprint records, and correspondence. Decreases are noted in operating expenses and equipment, which more than offset the increase in salaries and wages. A total reduction in this bureau's projected budget results in the amount of \$1,207.

Division of Marketing**1. Bureau of Markets**

The special fund activity of this bureau is confined to one program at the present time. The project is concerned with canning Bartlett pears. The end result would be to create a better market through the establishment of better grades and standards.

The same level of operations are planned to be maintained for the 1955-56 Fiscal Year, with only a total increase of \$92 for the special fund activities of this bureau.

Department of Agriculture—Continued

2. Bureau of Market Enforcement

This bureau provides protection to producers from produce dealers, brokers and commission merchants by licensing their operations and enforcing the fair marketing practices provided by several statutes. Further insurance is provided by a requirement that produce dealers and commission merchants must post a surety bond with the bureau as security for the producer.

The level of service requested for the 1955-56 Fiscal Year is the same as the current year. Minor increases are noted for merit salary adjustments and increased rental charges. While a small decrease of \$279 is noted in equipment, the total increase in the projected budget is \$5,876.

3. Bureau of Milk Control

This bureau acts to insure an adequate milk supply at fair and reasonable prices by enforcing the Milk Control Act. The law requires that minimum prices be established by the Director of Agriculture for both retail and producer payments. These minimum prices are arrived at for the various marketing areas by audit and public hearings. This procedure sets up fair trade practices for the industry. Another function of this bureau is to cooperate with the Dairy Industry Advisory Board, which provides publicity, advertising and research for the industry through special assessments. The funds for this activity are collected by the bureau, but are expended by a local committee in the particular participating marketing area.

Service is proposed to be maintained at approximately the same level as was provided in the current year. However, salaries and wages show an increase over the budget year because of merit salary adjustments. Operating expenses indicate a reduction, since it is anticipated that a research contract with the University of California will be completed in the present fiscal year. Equipment expenses are also reduced substantially, compared to the present allotment. With the reductions mentioned above as an offset, to the increase in salaries and wages, the total increase in the bureau's budget request is \$2,725 over the current year.

Canning Tomato Inspection

This unit is charged with the responsibility of inspecting all tomatoes delivered to canneries for processing. This is to ascertain if they comply with standards of quality and maturity, as compulsory inspection and certification is required by law.

The proposed budget for this activity anticipates the same level of service as presently available. The increase in operating expense is attributable to increased office rents, which was explained earlier in this analysis. The equipment request is somewhat higher than the current budget, caused mainly by the replacement of old miscellaneous office equipment. The total increase proposed for this activity is \$5,630 above the estimate for the current year.

Department of Agriculture—Continued

Winter Seed Potato Test Plot

The function of this unit is to grow seed potatoes, which are entered for certification. This is an optional service supported by the industry, which provides certified seed potatoes that are free from virus, bacterial and fungus diseases.

The level of service proposed is the same as the current fiscal year, with a slight reduction indicated in operating expense. The total request for this activity is \$392 lower than the current budget.

4. Bureau of Shipping Point Inspection

This bureau cooperates with the U. S. Department of Agriculture in making inspections and issuing certificates as to size, grade, et cetera. One of the greatest values of this service is its use as the basis for f.o.b. shipments and settlement of claims in shipping.

There is no change in the level of service proposed for the 1955-56 Fiscal Year. A slight increase in salaries and wages is caused by normal merit salary adjustments. It will be noted that the increase in operating expenses is caused by increased office rental charges and fees paid to the U. S. Government under a cooperative agreement. Automotive replacement has been reduced in the projected budget, which practically offsets the increases in the other categories. The resulting total increase proposed for the support of the bureau is \$1,122.

5. Bureau of Weights and Measures

This bureau enforces measures designed to prevent fraud and deception in the sale of gasoline, motor oil and antifreeze. In addition to the above activities, the bureau issues permits for pumps used in the sale of motor fuels.

There is no change in the service proposed in the 1955-56 Fiscal Year. A slight increase is noted in salaries and wages which is caused by normal merit salary increases; while operating expenses have been increased as a result of higher office rent, equipment has been reduced by \$1,765. This provides a partial offset for the increases noted above.

Included in the budget requests of the bureaus proposed to be financed by this item is the sum of \$38,200 for the acquisition of 36 replacement automobiles. We recommend deletion of this amount. In line with the policy recommendation by this office affecting all automotive units, both additional and replacement, it is recommended that:

1. Funds for these items be deleted from the agency support budgets.
2. The Department of Finance request an augmentation of their budget to enable them to procure sufficient vehicles and to provide the agency with necessary transportation service through a fleet management program in the automotive management section.
3. The Department of Finance make necessary revisions in the support budgets of the agencies to delete direct related automotive operating expenses and provide an offset item for automobile mileage to permit the agency to reimburse the Department of Finance on a mileage basis for the fleet service.

POULTRY IMPROVEMENT COMMISSION

ITEM 44 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	\$90,988
Estimated to be expended in 1954-55 Fiscal Year	79,627
Increase (14.3 percent)	\$11,361

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$2,386	\$2,386	---	99	8
Operating expense	9,236	9,236	---	99	9
Equipment	243	243	---	99	10
Additional reimbursements	-504	-504	---	99	14
Total increase	\$11,361	\$11,361	---	99	16

RECOMMENDATIONS

Amount budgeted	\$90,988
Legislative Auditor's recommendation	90,988
Reduction	None

ANALYSIS

This item provides for the support of the Poultry Improvement Commission, which conducts a poultry testing project near Modesto, California. The commission is composed of seven members from the poultry industry who are appointed by the Governor, and three ex-officio members from the University of California and the Department of Agriculture. The project is aimed at providing information to the industry on poultry production, breeding, management and feeding practices. During the current fiscal year it is proposed to purchase a site to provide for a turkey testing project which will be administered by this body. Consequently, the projected budget provides three new positions and funds for operating expenses and equipment. The new turkey projects will be managed by the present resident manager by distributing his time four-tenths to the turkey project, and six-tenths to the chicken testing program. One intermediate clerk will be transferred to the turkey project, while three new positions will be necessary. They will consist of one assistant manager, and two poultry assistants.

Revenues are derived from entry fees and the sale of eggs, poultry and miscellaneous items. However, the revenue is not sufficient to support the commission's operations, and the deficit is made up from the Fair and Exposition Fund. The following table shows the expenditures for eight years and the percentage of support carried by the revenues.

Poultry Improvement Commission—Continued

<i>Fiscal year</i>	<i>Revenue</i>	<i>Total expenditures</i>	<i>Revenue as percent of expenditures</i>
1948-49 -----	13,501	39,858	33.9%
1949-50 -----	22,658	60,009	37.8
1950-51 -----	34,139	70,987	48.1
1951-52 -----	32,714	71,466	45.8
1952-53 -----	40,071	77,885	51.4
1953-54 -----	38,881	79,966	48.6
1954-55 (est.) -----	37,550	82,889	45.3
1955-56 (est.) -----	39,200	94,308	41.6

We wish to point out again, as we did in our previous analysis, that the commission has authority to charge fees which will support the activity to a greater extent than at the present. Consequently, we recommend that the commission review their fee schedule and consider methods to place their operation on a more nearly self-supporting basis in the future.

We recommend approval of this item as requested.

Poultry Improvement Commission

AUGMENTATION OF THE POULTRY TESTING PROJECT FUND

ITEM 45 of the Budget Bill

Budget page 99

Budget line No. 52

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

Amount requested -----	\$29,858
Estimated to be expended in 1954-55 Fiscal Year -----	74,674
Decrease (60.0 percent) -----	\$44,816

RECOMMENDATIONS

Amount budgeted -----	\$29,858
Legislative Auditor's recommendation -----	29,858
Reduction -----	None

ANALYSIS

This item serves to augment the Poultry Project Fund, which supports the activities of the Poultry Improvement Commission as described in the analysis of the previous item. It will be noted that the request for the 1955-56 Fiscal Year is \$44,816 lower than the amount provided for the current year. This is due to an accumulated surplus in the Poultry Testing Project Fund caused by the delay in starting the turkey testing project. We recommend approval of this item as requested.

DEPARTMENT OF CORRECTIONS

State Prisons and Institutions Summary

The Department of Corrections has the responsibility of program development, and supervision of the correctional activities of the State.

Included in these general activities are the operation of seven primary institutions for male felons, one for female felons, various prison camps, and other related duties.