

DEPARTMENT OF NATURAL RESOURCES—DEPARTMENTAL ADMINISTRATION

For Support of Departmental Administration, Department of Natural Resources, from the General Fund

Item 192, page 42 of the Budget Bill and pages 529 and 530 of the Budget. The amount requested is \$161,411 from the General Fund for support of Departmental Administration. This is a reduction of \$2,912 or 1.8 percent under the amount of \$164,323 estimated to be expended in the 1948-49 Fiscal Year. The total cost of support of Departmental Administration, including reimbursable items from other divisions, is estimated at \$295,843 for 1948-49 and \$313,662 for 1949-50, an increase of \$17,849 or 6 percent.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages-----	\$12,695	529
Operating expenses-----	1,885	529
Pro rata cost included in special fund division (a) (subtract)-----	20,761 (a)	529
Equipment-----	—3,177	529
Total-----	—\$9,358	
Budgeted increase for new or expanded service:		
Proposed New Positions		
1 Junior clerk-----	\$1,920	530
2 Intermediate clerks-----	4,320	530
1 Reclassification—		
Junior clerk to intermediate clerk-----	50	530
1 Reclassification—		
Senior clerk to supervisory clerk, grade 1-----	156	530
Total-----	\$6,446	

Recommendations

Amount budgeted-----	\$161,411
Legislative Auditor's recommendations-----	151,323
Reduction-----	\$10,088

Analysis

The apparent reduction of \$2,912 in gross support is due entirely to the increased reimbursement from the special fund divisions for the pro rata cost of Departmental Administration which is included in their budgets. This increase amounts to \$20,761 which offsets the actual increase in Departmental Administration expenditures of \$17,849 or 6 percent (from a total of \$295,813 in the 1948-49 Budget to \$313,662 in the proposed Budget for 1949-50), leaving an apparent reduction in support of \$2,912. The increase in reimbursement is almost wholly from the Division of Beaches and Parks (\$18,930), a special fund division which has now become, in effect, a General Fund division because of the loss of tidelands oil revenues which formerly was appropriated to this

\$ 1275 RF

division. Thus the increased support burden of Departmental Administration is actually being imposed on the General Fund and not on special funds and the reduction is purely a "paper" figure and not a real one.

The increase in support expenditure is largely due to an increase of \$12,695 in salary adjustments of authorized personnel and the filling of several previously unfilled authorized positions.

Three new positions are proposed at \$6,446, and an increase of \$1,885 in operating expenses brings the total to \$21,026, which is reduced to \$17,849 by a reduction of \$3,177 in equipment expenditures. It is recommended that the three new positions at \$6,446 be not allowed as there is an indicated reduction in salary savings from 2.5 man years to .3 man years or an additional availability of 2.2 man years, which should be sufficient for the increased work load.

There is also an item of \$3,642 for additional office equipment, part of which was intended to implement the proposed new positions and the balance for other general items, the need for which has not been clearly demonstrated. It is recommended that this item be not allowed, bringing the reduction to \$10,088.

DEPARTMENT OF NATURAL RESOURCES—PACIFIC MARINE FISHERIES COMMISSION

For State Cooperation with Pacific Marine Fisheries Commission from the General Fund

Item 193, page 42 of the Budget Bill and page 530 of the Budget. The amount requested is \$12,500 from the General Fund for the expenses of state cooperation in the Pacific Marine Fisheries Commission. This is an increase of \$1,500 or 13.63 percent over the amount of \$11,000 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service :		
Travel expense -----	\$1,500	530
1. For members of research staffs traveling out-of-state		
2. For commissioners who are not also state officers		

Recommendations

Amount budgeted -----	\$12,500
Legislative Auditor's recommendation :	
Payable from Fish and Game Preservation Fund	
Reduction -----	\$12,500 ✓

Analysis

State cooperation in the tri-state Pacific Marine Fisheries Commission was approved by Statute in 1947, Chapter 1447, and is due to terminate on January 1, 1950. The commission functions as a "clearing house" or liaison organization in correlating the research efforts of each of the three states involved. Thus far the major results achieved by this cooperation have been to standardize procedures and eliminate duplication of

effort. The research work, as a whole, is a long continuing process which may not produce concrete results for some years.

We recommend approval of this item as requested with the *qualification that it be made payable from the Fish and Game Preservation Fund instead of the General Fund.*

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF BEACHES AND PARKS

For Support of the Division of Beaches and Parks, Department of Natural Resources, from the State Park Maintenance Fund and the General Fund

Items 194 and 195, pages 42 and 43 of the Budget Bill and pages 531 to 537, inclusive, of the Budget. The amount requested is \$2,129,874 from the State Park Maintenance Fund and the General Fund for support of the Division of Beaches and Parks. This is an increase of \$277,477 or 15 percent over the amount of \$1,852,397 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages-----	\$103,711	531
Salary adjustments -----\$103,711		531
Operating expenses -----	69,270	531
Employees maintenance (subtract)-----	6,872	531
Total -----	\$166,109	
Budgeted increase for new or expanded service:		
Salaries and wages-----	\$108,905	532
Administration		
1 Intermediate stenographer-clerk --- \$2,280		533
Maintenance		
6 Assistant civil engineers----- 24,552		534
3 State park rangers, grade 3----- 8,850		534
1 Columbia		
1 Huntington Beach		
1 Turlock Lake		
6 State park rangers, grade 2----- 13,770		534
1 Tomales Bay		
1 Turlock Lake		
1 Ventura Beach		
1 Silver Strand		
1 Cuyamaca Rancho		
1 Mt. Diablo		
19 State park rangers, grade 1----- 36,540		534
1 Sunset Beach		
1 Hickey Grove		
2 Donner Monument		
1 Fort Tejon		
3 Huntington Beach		
1 Silver Strand		
1 Cuyamaca Rancho		
1 Lake Cleone		
1 Clear Lake		
1 Petaluma		
2 Tomales Bay		
1 Mt. Tamalpais		
2 Turlock Lake		
1 Ventura Beach		

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
2 Curator of historical monument.....	5,544	534
1 Senior engineering aid.....	2,916	534
1 Carpenter	3,060	534
1 Groundsman and flower gardener.....	2,280	534
1 Intermediate stenographer-clerk	2,280	534
1 Intermediate typist-clerk	2,160	534
1 Intermediate stock clerk.....	2,160	534
1 State park ranger, grade 3.....	480	534
Reclassification of grade 2		
1 State park ranger, grade 2.....	343	534
Reclassification of grade 1		
Engineering and Planning		
1 Assistant civil engineer.....	1,030	535
Reclassification of senior engineering aid		
1 Junior civil engineer.....	660	535
Reclassification of senior engineering aid		
Equipment	\$2,463	535
Total	\$111,368	

Recommendations

Amount budgeted	\$2,129,874
(General Fund, \$1,884,400 ; State Park Maintenance Fund, \$245,474)	
Legislative Auditor's recommendations.....	2,040,746
(General Fund, \$1,795,272 ; State Park Maintenance Fund, \$245,474)	
Reduction	89,128
(General Fund, \$89,128)	

Analysis

The Division of Beaches and Parks which was originally established as a special fund agency, the cost of which was to be defrayed largely by oil lands royalties, has now become, to all practical purposes, a General Fund agency by reason of the loss of the state oil tidelands. It appears unlikely at this time that these tidelands will be returned to the State by the Federal Government. *Consequently it is recommended that the needs of the Division of Beaches and Parks be reevaluated in relation to the other activities of the State and a study be made to determine which functions and services can be eliminated or curtailed and which can be continued, and how much can be made fully or partially self-supporting.*

Heretofore, the governing factor in the program of the Division of Beaches and Parks has been the availability of funds from the State Park Fund and the State Beach Fund which were transferred to the State Park Maintenance Fund, as required.

It is further recommended that serious consideration be given to making the Division of Beaches and Parks more nearly self-supporting by increasing its revenue so that those who actually use the park and beach facilities will help to pay for them as they use them. This would be akin to the Division of Fish and Game which derives the bulk of its support from that segment of the state population which is directly benefited by and interested in its activities.

The continued acquisition of new parks, beaches and historical sites or the expansion of existing facilities compounds the financial problem of the division and increases demand for more and more money. Each acquisition necessitates a minimum staffing to protect the state's investment, and to prevent careless misuse by campers and others. Since 88.5 percent of the proposed support amount is to be payable from the General Fund, it is impossible to recommend that the division attempt to support itself on the money from the State Park Maintenance Fund as this course would seriously endanger the state's investment in the various parks, beaches, and historical monuments. Following are recommended reductions:

Salaries and Wages----- \$56,484

Maintenance

Six assistant civil engineers at \$24,552 are proposed, one for each of the six park districts into which the State is divided by the Division of Beaches and Parks. These are to be offset by a reduction of eight employees in the engineering and planning section. However, the eight employees represent a reduction of only \$7,612 in the cost of salaries and wages in the section. A reduction of one assistant civil engineer is offset by the reclassification of one senior engineering aid to assistant civil engineer so that, in effect, the number of assistant civil engineers in the division *as a whole, is increased from six in the current budget to twelve in the proposed budget.* Consequently it is recommended that the six new positions be disallowed, a saving of \$24,552.

Three state park rangers, grade 3, are proposed at \$8,850, two to be placed on duty July 1, 1949, and one on January 1, 1950. One state park ranger, grade 3, is proposed to be reclassified from grade 2 at an increased cost of \$480. In keeping with the need to use only the minimum possible personnel, it is recommended that these positions be not allowed. A saving of \$8,850.

Nineteen state park rangers, grade 1, are proposed at \$36,540. Ten to enter on duty July 1, 1949, three October 1, 1949, three January 1, 1950, and three April 1, 1950. The ultimate cost of these positions for a full year at the entrance salary will be \$47,880. It is recommended that 10 of these positions, at a savings of \$25,200, be not allowed. This will allow nine new positions to maintain minimum staffing at new facilities, six July 1, 1949, and three October 1, 1949. A saving of \$15,750.

One curator of historical monument, at \$2,772, is proposed for the museum on Mt. Diablo. This museum is not now in service, and the exhibits for it are in storage at the Contra Costa County Courthouse. In view of the present high demand on the funds of the State, it is recommended that the museum be abandoned, unless it can be made self-supporting, and that the position be not allowed. A saving of \$2,772.

One groundsman and flower gardener, at \$2,280 is proposed for the Shasta Historical Monument. This site will have one curator who can carry on as curator-caretaker with the minimum duties of a groundsman and flower gardener. It is recommended that the position be not allowed. A saving of \$2,280.

Administration

One intermediate stenographer-clerk at \$2,280 is proposed for the Sacramento office to augment the one, now on duty, who must take dictation from both the chief and deputy chief. The necessity for this position has not been reasonably established as the deputy chief is being allowed \$1,200 for travel during the 1949-50 Fiscal Year which would indicate that he would away from Sacramento such a large amount of his time as to preclude the need for additional stenographic assistance. It is recommended that the position be not allowed. A saving of \$2,280.

Equipment (additional) ----- \$19,539

Administration

A typist's desk (\$141) and a typewriter (\$143) are requested for the new position of intermediate stenographer-clerk. It is recommended that these items be deleted along with the position. A saving of \$284.

A light sedan (\$1,800) is requested for the use of the supervisor of conservation education. It is recommended that this item be deleted and that all conservation education activities be transferred to Departmental Administration of the Department of Natural Resources. A saving of \$1,800.

Three items of exhibit (\$605) are requested. In view of the uncertain financial position of the division it is recommended that those items be deleted, and that all exhibit activity be curtailed until such time as the improved finances of the division allow expansion in this direction. A saving of \$605.

A large photographic slide projector (\$750) is requested for use in parks having large theaters. It is recommended that this item be deleted as being nonessential at the present time in view of the financial position of the division. A saving of \$750.

Maintenance

NORTHWEST DISTRICT

One passenger suburban carryall at \$2,000 is requested for District Headquarters to be used by specialized personnel. It is recommended that this item be deleted as unessential at this time. Other vehicles are available and an effort should be made to utilize them to the fullest possible extent. A saving of \$2,000.

NORTHEAST DISTRICT

One pickup at \$1,610 for Sonoma Coast, one chain hoist at \$100 for Van Damme Park. One passenger suburban carryall at \$2,000 for District Headquarters. It is recommended that these items be deleted as Sonoma Coast now has one pickup which should suffice for the time being. Van Damme Park is within ten miles of Russian Gulch Park which will have a comparable chain hoist, and District Headquarters has other vehicles which should be utilized more efficiently. A saving of \$3,710.

EASTERN DISTRICT

One truck with winch, power take off and V blade at \$2,400 for Calaveras Big Trees. Two floor sanders at \$460 and \$250 respectively for

the district at large. It is recommended that these items be deleted as Calaveras Big Trees will have a medium dump-truck which can be utilized for snow plow and other purposes, and the floor sanders will not have sufficient use to justify outright purchase of such equipment. The fact that other districts are so equipped is no justification for this district. *The sanders can be borrowed from adjacent districts as required.* A savings of \$3,110.

CENTRAL DISTRICT

One station wagon at \$2,400 for Big Basin Park. The vehicle is requested for personnel transportation and patrolling. It is recommended that this item be deleted as there are other vehicles available for this purpose, including one power wagon being allowed in the proposed budget. In any case, a station wagon body is too fragile for this use and will not stand up as well as an all-steel passenger suburban carryall. A saving of \$2,400.

SOUTH CENTRAL DISTRICT

One pickup at \$1,660 for La Purisima Mission. It is recommended that the item be deleted as one pickup is already available and should be made to do for the time being. A saving of \$1,660.

SOUTHERN DISTRICT

Two pickups at \$3,220, one for Cuyamaca Rancho, and one for San Clemente Beach. It is recommended that these items be deleted as Cuyamaca Rancho already has four pickups which should suffice, even though the park is one of the largest in the division, and San Clemente Beach has one on hand which should be made to suffice for the time being. A savings of \$3,220.

Operating Expenses ----- \$20,784

Administration

It is recommended that the item of office expense be reduced by \$200 from \$3,966 to \$3,766 in consideration of the nonallowance of the new position of intermediate stenographer-clerk, and automobile operation be reduced by \$651 for gas, oil, tires, and tubes from \$4,766 to \$4,115, and by \$533 for parts and services from \$1,534 to \$1,001 in consideration of the nonallowance of a light sedan for the Division of Conservation Education. A saving of \$1,384.

Maintenance

It is recommended that the item of automobile operation be reduced by a minimum of \$2,400 from \$36,803 to \$34,403 for gas, oil, tires, and tubes and by a minimum of \$2,000 from \$30,112 to \$28,112 for parts and services in consideration of the nonallowance of eight vehicles, and the item of travel expense be reduced by a minimum of \$4,000 from \$34,380 to \$30,380 in consideration of the nonallowance of certain additional personnel. A saving of \$8,400.

Acquisition

The sum of \$11,000 is requested to defray title and escrow expenses. This item is properly one of capital outlay rather than operating expense, and would be so classed by ordinary accounting methods. *It is recommended that this item be deleted from the support budget.* A saving of \$11,000.

We wish to point out that the activities of the acquisition section result in a steady increase in the cost of maintenance as new sites are acquired. The cost of acquisition has heretofore been payable from the State Park Fund and State Beach Fund. Now the costs will be payable from the General Fund. This together with the cost of maintenance payable from the General Fund constitute a drain which was never contemplated by the Legislature. We recommend that all acquisition and acquisition activities be suspended for the 1949-50 Fiscal Year.

For Mean High Tide Line Survey from the State Beach Fund

Item 196, page 44 of the Budget Bill and page 537 of the Budget. The amount requested is \$25,000 from the State Beach Fund for Mean High Tide Line Survey. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted	\$25,000
Legislative Auditor's recommendation	25,000
Reduction	None

Analysis

This survey, to establish the mean high tide line along certain ocean beaches, should prove to be of considerable value to the State as a whole and it is recommended that it be continued even though it is our recommended policy that all State Beach Fund money be used only for support or development of existing facilities.

For Investigations, Surveys and Preparation of Plans for Acquisition and Development of State Beaches, from the State Beach Fund

Item 197, page 44 of the Budget Bill and page 537 of the Budget. The amount requested is \$25,000 from the State Beach Fund for investigations, surveys and preparation of plans for acquisition and development of state beaches. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted	\$25,000
Legislative Auditor's recommendations	None
Reduction	\$25,000

Analysis

Expenditure of the proposed sum will produce additional acquisitions and expansions of existing facilities. *In turn, these will become an increased and continuing charge on the support activities of the division which, because of the impounding by the Federal Government, of revenues from the tidelands, now depends almost wholly on loans from the General Fund for its support.* The present status of the State Beach

Fund is such that almost all of the funds contained therein are the result of transfer from the General Fund solely for beach acquisition in accordance with Chapter 1422, Statutes of 1945 and Section 3.7 of the Budget Act of 1948.

In view of the uncertain financial status of the Division of Beaches and Parks, it is recommended that the money now available in the State Beach Fund be expended for the support, maintenance and development of existing beach and park facilities and that all new acquisitions or expansions be delayed until such time as either the impounded oil lands royalties become available or the division is reorientated as a General Fund agency. It is recommended, therefore, that this item be not allowed.

Furthermore, we recommend that the balances remaining in the fund from the appropriations made by Chapter 1422, Statutes of 1945 and Section 3.7 of the Budget Act of 1948 be reverted to the General Fund and that the program of new acquisitions be abandoned entirely. The balance estimated to be available as of June 30, 1949, amounts to \$5,595,385.

For Investigations, Surveys and Preparation of Plans for Acquisition and Development of State Parks, from the General Fund

Item 198, page 44 of the Budget Bill and page 537 of the Budget. The amount requested is \$10,000 from the General Fund for investigations, surveys and preparation of plans for the acquisition and development of state parks. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted	\$10,000
Legislative Auditor's recommendations	None
Reduction	\$10,000

Analysis

This request has, in the past, been made against the State Park Fund which in turn obtained funds from the State Lands Act Fund, the revenues for which were largely from tidelands oil royalties. It now seems unlikely that the tidelands will be returned to state ownership by the Federal Government and consequently all these activities which depended on the funds provided by the State Lands Act Fund become General Fund charges. In view of this situation, it is recommended that this expenditure be not allowed and that the policy of the Division of Beaches and Parks be reexamined and reformed to be consistent with existing conditions. It is further recommended that all revenues paid into the State Lands Act Fund with the exception of receipts from state school lands be transferred to the General Fund.

**DEPARTMENT OF NATURAL RESOURCES—DIVISION
OF FISH AND GAME**

For Support of the Division of Fish and Game from the Fish and Game Preservation Fund

Item 199, pages 44 and 45 of the Budget Bill and page 539 of the Budget. The amount requested is \$4,656,050 from the Fish and Game

Preservation Fund for support of the Division of Fish and Game. This is an increase of \$300,542 or 6.9 percent over the amount of \$4,355,508 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages -----	\$194,716	539
Authorized positions -----	\$194,716	
Equipment -----	101,371	539
Reimbursements -----	16,300	539
	(Subtract)	
Total -----	\$77,045	
Budgeted increase for new or expanded service:		
Salaries and wages -----	\$78,164	539
Divisional administration -----	\$21,588	
1 Senior account clerk ----	\$2,640	
1 Intermediate account clerk ----	2,160	
1 Senior construction supervisor -----	5,772	
2 Assistant county inspectors -----	7,800	
1 Delineator -----	3,216	
Conservation education and public information -----	7,080	
2 Assistant supervisor of conservation education -	7,080	
Patrol and law enforcement -----	10,800	
20 Fish and game wardens (reclassification from assistant fish and game warden) -----	10,800	
Marine fisheries -----	9,812	
1 Senior clerk -----	2,720	
2 Intermediate clerks -----	4,320	
1 Supervising tabulating machine operator -----	2,772	
Fish conservation -----	21,660	
1 Intermediate typist-clerk -	2,160	
3 District fisheries biologist	11,700	
1 Assistant veterinarian ---	3,900	
1 Assistant supervisor of fish hatcheries -----	3,900	
Game conservation -----	7,068	
1 game manager -----	3,900	
8 Game farm foremen (reclassification of game conservation aids) -----	3,168	
Licenses -----	156	
1 Supervising account clerk, grade 1 (reclassification of senior account clerk)	156	
Operating expenses -----	145,333	
Total -----	223,497	

Recommendations

Amount budgeted -----	\$4,656,050
Legislative Auditor's recommendations -----	\$4,552,455
Reduction -----	\$103,595

Summary of Recommended Reductions

Salaries and wages -----	\$46,536
Equipment -----	38,364
Operating expenses -----	18,695
Total -----	<u>\$103,595</u>

Analysis

The Division of Fish and Game is a special fund agency which derives the bulk of its support funds from license fees levied on the special group of people which it serves; namely sportsmen, hunters, anglers, and etc. Normally it is self-supporting and its functions are presumably integrated and aligned with the needs of this group. It may reasonably be assumed that as this group grows in numbers its needs will increase and the size of the organization necessary to supply the needed services will increase in proportion.

For the Fiscal Year 1946-47 the total license revenue was \$3,123,234. This was the last full year of operation under the \$2 license fee. Effective January 1, 1948, the license fee was increased by 50 percent to \$3. Therefore it might reasonably be assumed that total license revenues should have increased by approximately 50 percent to approximately \$4,684,851, providing there was neither a substantial loss nor a gain in the number of licenses issued. Actually the license revenue increased to \$3,717,033 for the 1947-48 Fiscal Year, which was affected only during the latter half. *For the 1948-49 Fiscal Year, the first full year of operation under the \$3 license fee, the division estimated that \$4,589,900 would be realized from license fees.* This figure is still short of the theoretical total of \$4,684,851 produced by the 50 percent increase over the 1946-47 revenue, indicating that, on a conservative basis, there were *no increases expected in the number of licenses from 1946-47 to 1948-49.* Moreover, in addition to the 50 percent increase in license fees, there were two new classes of people brought under licensing regulations who were not previously required to purchase licenses. These classes, alone, should have produced an increase in total license revenue. *Apparently the increase in fee has dissuaded prospective new hunters and anglers from taking up the sport, or may have caused many existing license holders to forego renewal.*

Notwithstanding the apparent lack of increase in the number of licenses over the 1946-47 Fiscal Year, the division estimated costs for support in the 1948-49 Fiscal Year at \$4,355,508 as against \$3,444,902 in the 1947-48 Fiscal Year, an increase of \$910,606 or 26.4 percent and \$2,807,030 in the 1946-47 Fiscal Year, an increase of \$1,548,478 or 55.2 percent.

The division apparently contemplates no increase in the number of licenses to be sold in the 1949-50 Fiscal Year, as the estimated revenue is indicated as \$4,589,900, the same amount as was estimated for the 1948-49 Fiscal Year. However, the cost of support for the division is proposed to be increased, still further, by \$300,542 or 6.9 percent from \$4,355,508 in 1948-49 to \$4,656,050 in 1949-50.

As a percentage figure this does not reveal the true increase in the expendable and recurring items such as salaries and wages and operating expenses. The cost of authorized positions is estimated to increase

by \$194,716 or 8.6 percent from \$2,271,018 in 1948-49 to \$2,465,734 in 1949-50. Most of this large increase is due to a reduction in estimated salary savings of \$173,300 for 60.3 man years in 1948-49 to \$67,300 for 23.5 man years in 1949-50. This would indicate that 36.8 man years of additional help will be available in all bureaus of the division, in the 1949-50 Fiscal Year. In addition, the division proposes to add 19 new positions at a cost of \$78,164 for salaries and wages, and brings the total increase for this item to \$272,880 or 12 percent over the amount estimated to be expended in 1948-49.

The division also proposes an increase in operating expense of \$145,333 or 8.8 percent from \$1,658,158 in 1948-49 to \$1,803,491 in 1949-50. Some of this increase can be attributed to the anticipated continued rise in prices of most supply items. However, the bulk of the increase is based on the anticipated increased employment, totaling 55.8 man years.

The foregoing measures are offset to a considerable extent by a reduction in equipment of \$101,371 or 20.9 percent from \$485,740 in 1948-49 to \$384,369 in 1949-50. However, the latter amount contains \$264,081 for additional equipment, most of which is intended to implement the new positions, some of those authorized in the 1948-49 Budget, and those proposed in the 1949-50 Budget.

The total estimated 1949-50 charges against the Fish and Game Preservation Fund aggregate \$6,789,242 which is offset by revenues, including federal grants, estimated to total \$5,762,994, leaving a net deficit of \$1,026,248 which must be supplied from the unbudgeted surplus moneys of the fund, now estimated to total \$3,524,950 as of June 30, 1949. Thus the surplus funds will be reduced to \$2,498,702 as of June 30, 1950. *At the present rate of drain these surplus funds will last no more than two years following the close of the 1949-50 Fiscal Year, and not that long if the rate of deficit increases, as appears likely in consideration of the present trends in the division.*

In view of the foregoing conditions, the following reductions are recommended:

Salaries and wages-----\$46,536

Administration \$16,788

The four positions of one senior construction supervisor, two assistant construction inspectors and one delineator should not be allowed. The work contemplated for them will be, to some extent, duplicating the efforts of the Department of Architecture and could be performed by existing personnel.

Conservation Education \$7,080

The two positions of assistant supervisor of conservation education should not be allowed. This section should limit its activities to the degree accomplished in 1947-48 and 1948-49. It is further recommended that all conservation education and public information activities be transferred to Departmental Administration and a single integrated function be set up for all the divisions of the Department of Natural Resources.

Fish Conservation \$15,600

The three district fisheries biologist positions, and one assistant supervisor of fish hatcheries position should not be allowed. It is recommended that three existing assistant fisheries biologist positions be reclassified to district fisheries biologist. There are presently seven assistant supervisors of fish hatcheries authorized and the service should be held to this level.

Game Conservation \$7,068

The position of game manager and the reclassification of eight game conservation aids to game farm foreman should not be allowed. The game manager is proposed to operate in the north coast area which is not now covered by the present game manager system and where, admittedly, there is only minor work to be performed, compared to other areas. It is recommended that the handling of game depredations problems in this area be continued on the present basis. The level of service provided by the game conservation aids should be continued at those points where an increased classification was proposed.

Equipment -----\$38,364

Administration \$5,378

The two sedans and sundry drafting and office equipment intended for the four engineering positions should be deleted in consideration of the disallowance of these positions.

Conservation Education \$8,986

The two sedans, one station wagon, office equipment and photographic equipment scheduled for the use of the two proposed positions of assistant supervisor of conservation education should be deleted if the positions are disallowed.

Patrol and Law Enforcement \$15,000

This bureau has proposed another complement of 10 jeeps in addition to the 10 jeeps already in use by bureau personnel. These are intended to be used in supposedly inaccessible terrain and are on a substitute basis as additional personnel were not requested. This would mean that there would be 10 more vehicles than available patrol personnel. It is recommended that this item to be deleted.

Fish Conservation \$7,200

Four sedans have been requested to implement the proposed positions of district fisheries biologist and assistant supervisor of fish hatcheries. This item should be deleted if the positions are disallowed.

Game Conservation \$1,800

One sedan has been requested for the use of the proposed game manager. This item should be deleted if the position is disallowed.

Operating expenses -----\$18,695

This sum consists of \$6,173 for gas, oil, tires, and tubes, \$5,103 for parts and services, \$6,919 for travel, and \$500 for additional exhibits. These amounts are related to the positions and equipments which were recommended for deletion in the foregoing and should be eliminated concurrently.

It is further recommended that the division undertake an intensive study and the formulation of an overall plan and policy which will base new acquisitions of facilities, the expansion of existing facilities, the degree and type of services to be offered the public, and the cost of operations on the optimum revenue which can be anticipated. *There is unquestionably a balance point between the size of license fees and the number of licenses that can be sold. Beyond this point the number of licensees as well as monetary realization will diminish and place the division in the position of having more facilities than the number of its users would warrant.*

For Game Management in Cooperation with the Federal Government from the Fish and Game Preservation Fund

Item 200, page 45 of the Budget Bill and page 547 of the Budget. The amount requested is \$200,000 from the Fish and Game Preservation Fund for Game Management in cooperation with the Federal Government. This is an increase of \$20,000 or 11.1 percent over the amount of \$180,000 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase for new or expanded service:		
Additional or expanded projects-----	\$20,000	547

Recommendations

Amount budgeted -----	\$200,000
Legislative Auditor's recommendations-----	200,000
Reduction -----	None

Analysis

The Federal Government, under the Pittman-Robertson program, provides funds on the basis of \$3 to \$1 expended by the State for projects and experiments in game management.

The amount of money, estimated for 1949-50, available from the Federal Government is \$600,000. Consequently, the proportionate fund required from the State is \$200,000 and approval of this appropriation is recommended.

DEPARTMENT OF NATURAL RESOURCES—WILD LIFE
CONSERVATION BOARD

For Support of the Wild Life Conservation Board from the Wild Life Restoration Fund

Item 201, page 45 of the Budget Bill and pages 549 and 550 of the Budget. The amount requested is \$51,361 from the Wild Life Restoration Fund for support of the Wild Life Conservation Board. This is a reduction of \$12,224 or 19.2 percent under the amount of \$63,585 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Equipment -----	+ \$2,621	549
Salaries and wages -----	— 1,871	549
Operating expenses -----	— 12,974	549
Total -----	— \$12,224	

Recommendation

Amount budgeted -----	\$51,361
Legislative Auditor's recommendations -----	\$48,766
Reduction -----	\$2,595

Analysis

The status of the Division of Fish and Game is such that its expenditures are exceeding its revenues despite an increase in license fees which went into effect January 1, 1948. *Consequently, any additional facilities which might be provided by the Wild Life Conservation Board would increase the support burden and further widen the gap between expenditures and revenues.* Therefore, we recommend that balances remaining in the Wild Life Restoration Fund be reverted to the General Fund and that the fund be abolished. In the event this is not done we make the following recommendations:

The reduction in gross support is largely attributable to a decrease of \$10,000, or from \$25,000 to \$15,000, in the cost of contract services (Fish and Game Conservation Consultant) and a decrease of \$6,000, from \$15,000 to \$9,000, in salaries and wages of temporary technical advisors. This is due to anticipating the completion of the survey and master plan of new fish and game installations.

The reduction in use of technical advisors is from 2.5 man-years estimated to be used in 1948-49 to 1.5 man-years estimated to be used in 1949-50. Consequently the proposal to add a light sedan at \$1,800 plus \$75 for accessories for the use of the technical advisors is without logical justification. Therefore, it is recommended that these items be deleted together with a reduction in automobile operation of \$396 for gas, oil, tires and tubes and \$324 in parts and service making a total reduction of \$2,595.

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF FORESTRY

For Support of the Division of Forestry, Department of Natural Resources, from the General Fund

Item 202, page 45 of the Budget Bill and pages 551 to 561, inclusive, of the Budget. The amount requested is \$7,382,172 from the General Fund for support of the Division of Forestry. This is an increase of \$123,492 or 1.7 percent over the amount of \$7,258,680 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages-----	\$73,269	551
Authorized positions ----- \$70,989		
Conservation education		
1 Intermediate stenographer-clerk 2,280		553
Operating expenses -----	95,472	551
Equipment -----	42,397	551
Reimbursements -----	+16,577 (b)	---
	<hr/> \$109,767	
(b) Subtract		
Budgeted increase for new or expanded service:		
Salaries and wages-----	\$13,725	
Administration		
1 Administrative aid ----- \$3,720		553
3 Heavy equipment mechanic----- 9,180		553
Forest management		
1 Forest technician ----- 645		557
Reclassification of Assistant State Forest Ranger		
State nursery		
1 Forest technician ----- 180		559
Reclassification of Nursery Supervisor		
	<hr/> \$13,725	

Recommendation

Amount budgeted -----	\$7,382,172
Legislative Auditor's recommendations-----	\$6,699,323
Reduction -----	<hr/> \$682,849

Analysis

The percentage increase of the gross support item being only 1.7 percent might be considered of little significance. *However, in the light of the fire experience sustained by the division for the nine-month period from January 1 to September 30, 1948, there should have been no increase in support costs forecast for 1949-50 and in fact a substantial reduction could, conceivably, have been made.*

The total acreage of state responsibility for Zones 1 and 2 is, and has been since 1946, 22,696,804 acres. Following are figures, provided by the division, covering fire incidence and magnitude.

<i>Fire Control Budget by fiscal year</i>	<i>Calendar year</i>	<i>Responsibility acreage</i>	<i>Acres burned</i>	<i>Number of fires</i>	<i>Average acres burned</i>	<i>Dollar ‡ losses</i>
768,652	1939	15,960,465	401,410	2,491	161	686,047
873,724	1940	"	87,331	1,887	46	192,060
1,422,041	1941	"	150,635	1,857	81	301,711
1,881,540	1942	"	351,141	1,746	201	596,937
2,080,385	1943	17,485,145	388,576	2,158	180	1,000,966
2,167,141	1944	"	425,661	2,034	209	1,063,788
2,173,041	1945	23,485,145	509,998	2,594	196	2,072,578
2,951,678	1946	22,696,804	234,879	2,643	88	622,265
4,286,055	1947	"	256,472	2,473	103	2,251,605
	1948	-----	-----	-----	---	-----
	1946 *	"	217,955	2,252	96	-----
	1947 *	"	240,000	2,253	106	-----
	1948 *	"	82,213	1,640	50	717,564 †

* For the period January 1st to September 30th, inclusive.

† For full year of 1948.

‡ Includes all improvement losses and damages to timber, watershed, and range lands in zones 1 and 2, but not structural damage caused by fires not attributable to forest fires.

It will be noted that in 1948 the acreage burned declined sharply, as well as the number of fires occurring. *The average burned acreage in 1948 was the second lowest since 1938, the lowest year being 1940 with 46.3 acres per fire. Furthermore while the cost per acre of responsibility rose from 4.8 cents in the 1939-40 Fiscal Year to 18.9 cents in the 1947-48 Fiscal Year, the fire incidence and magnitude fluctuated in a manner that bears no apparent relationship to the total cost of suppression and control.*

There is no doubt that this sharp reduction in fire loss was due, in considerable measure, to the spring rains and snows which broke the serious drought condition in early 1948.

This reduction, however, has had no significant effect on the total cost of fire prevention and suppression. The division's actual and estimated expenditures for 1948-49 are *very little less* than originally forecast at the time of preparation of the 1948-49 Budget.

The item of equipment shows an over-all reduction of \$42,397 from \$978,490 in 1948-49 to \$936,063 in 1949-50. However, in the latter amount there is contained the sum of \$208,902 for *additional* equipment. This additional equipment becomes a future charge for replacement in subsequent budgets and indicates an expansion in degree or magnitude of service rendered by existing personnel. A considerable portion of the additional equipment consists of heavy vehicles and fire fighting equipment. It is presumed that the purchase of additional heavy equipment is based on a master plan for utilization of fire fighting equipment throughout the State. However, to date, the Division of Forestry has not supplied such a plan for consideration. *Consequently, we urge that a logical, comprehensive and practical plan for the purchase, distribution and utilization of heavy equipment be formulated and presented*

for justification of the continued increase in cost of equipment, in particular, and fire suppression in general.

The value of radio communication in fire suppression and control has been definitely demonstrated in the recent past. It has been established that its use can materially reduce both the incidence and magnitude of fires. Since the cost of fire fighting is directly proportioned to these two factors, the use of radio should occasion significant reductions in expenditures for man power and supplies. Thus far, the Division of Forestry has operated only a skeleton radio network, but it is anticipated that considerable expansion will take place during the current fiscal year. This factor should have a definitely beneficial effect in reducing manpower and fire fighting costs and should be reflected in the 1949-50 Budget. However, as previously stated, no reduction has been indicated.

It may be noted throughout the budget that the cost of subsistence, as an operating expense, always exceeds the amount of reimbursement for this item. In Divisional Administration the cost is \$7,500, with reimbursement of \$5,000. In Field Operation-Field Services, the cost is \$347,200 and reimbursement is \$323,345, and in Field Operation-Forestry Work Camps the cost is \$42,600 and reimbursement is \$36,700. *We recommend that a more realistic accounting procedure be adopted for this item so that the State will recover the full actual cost of subsistence.*

We recommend the following specific reductions in support.

The position of administrative aid at \$3,720 requested for Divisional Administration is predicated on the increased volume of purchases made by the division plus work connected with preparing the annual budget for the division. Upon the assumption that the volume of future purchases should decrease or at least level off it is recommended that the division continue its administrative staff at the present level and the additional position be disallowed.

The Bureau of Conservation Education is requesting an additional intermediate stenographer-clerk at \$2,280 in order to provide stenographic assistance to the second of two supervisors of conservation education, who entered on duty approximately January 1, 1949. At the time this second supervisory position was requested and allowed, it was apparently not thought necessary to budget for stenographic assistance. *We recommend that this position be disapproved and the Bureau of Conservation Education be held to its current level of service and that serious consideration be given to the transfer of the entire function to a centralized bureau in departmental administration which would integrate all the overlapping conservation education activities of the various divisions of the Department of Natural Resources.*

Total reduction for salaries and wages is \$6,000.

Divisional Administration is requesting a sedan at \$1,800 for a fire control training officer who has, apparently, been operating without a permanently assigned vehicle in the past. It is recommended that this item be deleted and the position be served by an existing pool car.

The Bureau of Field Operations, Field Services of the Division of Forestry, is largely responsible for fire control, suppression and prevention and hazard reduction. In the 1948-49 Budget the gross costs of

this bureau were forecast at \$5,268,756 after reimbursements. In the proposed Budget the actual and estimated expenditures after reimbursements is \$5,177,953, a reduction of \$150,803 or 2.86 percent, a very negligible savings in consideration of the large reduction in fire incidence in 1948. Consequently we recommend that the proposed net support for this bureau be reduced by 12 percent or \$633,996 from \$5,283,298 to \$4,649,302. The reduction to be applied by the State Forester, giving equitable coverage to all classes of forests.

In the event the additional position of intermediate stenographic-clerk for the Bureau of Conservation Education is disallowed the equipment for it should also be deleted, amounting to \$278. This makes a total of \$2,078 in equipment reduction.

Field Operations-Forestry Work Camps is requesting \$622,652 in operating expenses for inmate work crews averaging a total of 380 inmates. This is an increase of \$40,775 or 6.5 percent over the amount of \$581,877 estimated to be expended in 1948-49. We recommend that the method of computing this item be studied with a view to arriving at a more equitable basis for allocating the costs among the Division of Forestry, California Youth Authority and the Adult Authority. Pending such a study, we recommend that the item be held to the level of the 1948-49 Budget or \$581,877, a reduction of \$40,775.

For Direct Allotments to Counties for Cooperative Watershed Protection from the General Fund

Item 203, pages 45 and 46 of the Budget Bill and page 560 of the Budget. The amount requested from the General Fund is \$618,614 for direct allotments to counties for cooperative watershed protection. This is an increase of \$14,254 or 2.35 percent over the amount of \$604,360 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Contract expenses (salaries and wages)-----	\$12,001	560
Budgeted increase for new or expanded service:		
Contra Costa County contract expense-----	2,253	560

Recommendations

Amount budgeted -----	\$618,614
Legislative Auditor's recommendations -----	544,381
Reduction -----	\$74,233

Analysis

The allotments made to the counties participating in the agreement are based on the estimated cost which would result if the Division of Forestry protected the lands covered by the agreements with their own personnel and equipment. The bulk of the increase is to cover normal salary increases of the personnel employed in protection activities. The cost of Contra Costa County protection was previously absorbed by district field services but now it is proposed to allot \$2,252 to this county pending determination of whether the East Bay Municipal Utility District or Division of Forestry, District One, should maintain the service.

In line with our recommendation that the Field Services of the Division of Forestry be reduced by at least 12 percent, we recommend that these allotments also be reduced by 12 percent or \$74,233.

For Allotments to United States Forest Service for Protection of Private Lands Within and Adjacent to National Forests, from the General Fund

Item 204, page 46 of the Budget Bill and page 560 of the Budget. The amount requested from the General Fund is \$619,196 for allotments to the United States Forest Service for protection of private lands within and adjacent to national forests. This is an increase of \$149,708 or 31.9 percent over the amount of \$469,488 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
None -----	-----	
Budgeted increase for new or expanded service:		
Contract services -----	\$149,708	560

Recommendations

Amount budgeted -----	\$619,196
Legislative Auditor's recommendations -----	503,097
Reduction -----	\$116,099

Analysis

For the Budget Year 1947-48 and prior years, allotments to the United States Forest Service for protection of State or private lands within or adjacent to national forests were on the basis that the State would pay 55 percent of the United States Forest Service cost of protection for the lands in question or approximately 5,648,627 acres. The reason for the increased request is that the reimbursement to the State by the Federal Government under the Clark-McNary Act for state protection of Zone 1 State and private primary watershed lands in which the Federal Government was considered to have an interest, is believed inadequate by the Federal Government.

In 1947-48, the Federal Government increased the Clark-McNary reimbursement to the State to a total of \$1,494,136, an increase of \$413,339 or 38.2 percent over the reimbursement of \$1,080,797 in 1946-47. For this reason, the division proposed to increase its allotments to the United States Forest Service in the 1948-49 Budget by paying 80 percent of the actual cost of protection incurred by the United States Forest Service instead of 55 percent. The Legislature reduced this to 65 percent which nevertheless produced an increase in allotments of \$121,569 or 34.9 percent, from \$347,919 in 1947-48 to \$469,488 in 1948-49. This percentage increase was substantially the same as the percentage increase of Clark-McNary funds.

The division proposes to use the 80 percent formula again in the 1949-50 Budget. At the same time the acreage in this category has increased slightly to 5,665,727 and the United States Forest Service cost per acre has increased from \$0.1278 to \$0.13661, which accounts for the high percentage increase in allotments from 1948-49 to 1949-50. This

increase is proposed despite the fact that the Clark-McNary funds available to the State in 1949-50 will decrease to \$1,373,039, a reduction of \$121,097 or 8 percent below the amount of \$1,494,136 available in 1948-49.

In view of the foregoing, we recommend that the same 65 percent formula be used in the 1949-50 allotments as was voted by the Legislature in the 1948-49 Budget Bill. Consequently, at \$0.13661 per acre for 5,665,727 acres multiplied by 65 percent, the sum of \$503,097 will be the recommended amount. This is \$116,099 less than the amount requested in Item 204.

For Forest Land Survey in Cooperation with California Forest and Range Experiment Station of the United States Department of Agriculture from the General Fund

Item 205, page 46 of the Budget Bill and page 560 of the Budget. The amount requested from the General Fund is \$90,000 for forest land survey in cooperation with the United States Department of Agriculture. This is an increase of \$13,000 or 16.9 percent over the amount of \$77,000 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Contract services—U. S. Dept. of Agriculture—	\$11,000	560
Budgeted increase for new or expanded service:		
Maps -----	2,000	560

Recommendations

Amount budgeted -----	\$90,000
Legislative Auditor's recommendations -----	77,000
Reduction -----	\$13,000

Analysis

This is the third year of a three- to four-year program for determining the character, location, volume and growth ratio of the California timber. The program is important to the future of the state's timber industry and we therefore recommend no reduction below last year's expenditure of \$77,000.

For Watershed Research in Cooperation with California Forest and Range Experimental Station of the United States Department of Agriculture from the General Fund

Item 206, page 46 of the Budget Bill and page 561 of the Budget. The amount requested from the General Fund is \$24,000 for watershed research in cooperation with the United States Department of Agriculture. This is a decrease of \$26,000 or 52 percent below the amount of \$50,000 estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted -----	\$24,000
Legislative Auditor's recommendations -----	24,000
Reduction -----	None

Analysis

This program was initiated in 1947-48 by authority of Chapter 1415, Statutes of 1947, as a result of the curtailment of federal funds for the Forest and Ranger Experimental Station of the United States Department of Agriculture in the San Dimas Forest. It was determined, at that time, that certain research projects were of vital importance to the water supply of the State and \$50,000 was appropriated by the State Legislature to be expended as contract payments to Forest and Range Experiment Station for the continued activation of that project. In 1948-49 a like amount was appropriated to be expended in the same manner.

Increased federal funds have now become available to this experimental station to the extent that the State's contribution can be reduced to \$24,000 and still obtain the same level of service as heretofore. Since watershed research, to be effective, is a long range program, we recommend the approval of this item as being in the best interests of the State.

For White Pine Blister Rust Control Protection in Cooperation with United States Department of Agriculture from the General Fund

Item 207, page 46 of the Budget Bill and page 561 of the Budget. The amount requested from the General Fund is \$168,437 for white pine blister rust control protection in cooperation with the United States Department of Agriculture. This is an increase of \$15,312 or 10 percent over the amount of \$153,125 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Contract services -----	\$15,312	561
Allotment to United States Department of Agriculture -----	--	--

Recommendations

Amount budgeted -----	\$168,437
Legislative Auditor's recommendations -----	168,437
Reduction -----	None

Analysis

Expenditure of these funds is on a matching basis with the Federal Government for the control and eradication of pine blister rust, one of the most serious and devastating of all tree diseases. The returns to the State on this investment, in the way of increased forest products values, is probably greater than any other expenditure or activity of the State for forest purposes. We recommend that this item be approved as requested and that the State match any future expenditures which the Federal Government may make for this purpose.

For Emergency Fire Suppression from the General Fund

Item 208, page 46 of the Budget Bill and page 561 of the Budget. The amount requested from the General Fund is \$500,000 for emergency

fire suppression. This is an increase of \$200,000 or 66 percent over the amount of \$300,000 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Various categories—as necessary in emergency--	\$200,000	561

Recommendations

Amount budgeted -----	\$500,000
Legislative Auditor's recommendations -----	300,000
Reduction -----	\$200,000

Analysis

In the 1948-49 Budget Bill the amount for this item was \$750,000 because of the serious drought conditions prevailing at the time the Budget was prepared. *Subsequently this was reduced to \$500,000 by the Governor when the drought was broken by extensive rains in the late spring of 1948.*

It might be noted here that the Budget for divisional field services, which handles fire control and suppression, was considerably less in the 1947-48 Fiscal Year than in the 1948-49 Fiscal Year, although the number of fires and the acreage burned was approximately twice as great in 1947 as in 1948. Nevertheless, only \$162,615 of the emergency appropriation was used in the 1947-48 Fiscal Year as against \$300,000 estimated to be used in the 1948-49 Fiscal Year.

In view of the fact that the use of this emergency fund, since the 1945-46 Fiscal Year, has not exceeded \$300,000, *we recommend that this fund be approved in the amount of \$300,000 only.*

For Pine Beetle Control from the General Fund

Item 209, page 46 of the Budget Bill and page 562 of the Budget. The amount requested from the General Fund is \$25,000 for pine beetle control. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted -----	\$25,000
Legislative Auditor's recommendations -----	25,000
Reduction -----	None

Analysis

These funds are to be expended in accordance with the authority contained in Chapter 3, Section 4455 of the Public Resources Code for the control and eradication of pine beetle or other pest infestations in timber lands. Estimated expenditures for 1949-50 will be \$30,000 of which \$5,000 will be reimbursed by land owners in lieu of services, making a net expenditure of \$25,000. We recommend approval of this item as being essential to the health of the State's timber lands.

For Preliminary Surveys and Investigations for Acquisition of Land for State Forests from the General Fund

Item 210, page 46 of the Budget Bill and page 562 of the Budget. The amount requested from the General Fund is \$25,000 for preliminary surveys and investigations for acquisition of land for state forests. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted	\$25,000
Legislative Auditor's recommendations	—
Reduction	\$25,000

These funds are intended to be expended in connection with moneys appropriated by Chapter 146, Statutes of 1946 for the acquisition of lands for state forests. The original appropriation for acquisition was \$2,000,000 of which there is a balance available for 1949-50 of \$411,800 with no specific acquisitions indicated for 1949-50. In the 1948-49 Fiscal Year there is estimated to be expended only \$88,200 for actual acquisition against an estimated expenditure of \$25,000 for preliminary surveys and investigations.

We recommend that this item be not approved and that the costs of preliminary surveys and investigations be paid from the *balances remaining in the appropriation of Chapter 146, Statutes of 1946.*

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF MINES

For Support of the Division of Mines from the General Fund

Item 211, page 47 of the Budget Bill and pages 563 and 564 of the Budget. The amount requested is \$334,962 from the General Fund for support of the Division of Mines. This is an increase of \$23,780 or 7.64 percent over the amount of \$311,182 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages	\$6,386	563
Operating expenses	16,515	563
Total	\$22,901	
Budgeted increase for new or expanded service:		
Proposed new positions	\$9,012	564
Delineator	\$3,216	564
2 Geologic aids	5,280	564
1 Senior mining geologist	276	564
(Reclassification)		
1 Intermediate stenographic-clerk ..	240	564
(Reclassification)		
Additional equipment	10,715	564
Total	\$19,727	

Recommendations

Amount budgeted	\$334,962
Legislative Auditor's recommendations	333,015
Reduction	\$1,947

Analysis

The unprecedented increase in state population from 7,000,000 in 1942 to over 10,000,000 in 1948, makes it imperative that every means be explored to integrate the additional population and future increases, into the economy of the State. The increase has been too rapid for basic industries to keep pace. This lag can, possibly, produce a top heavy and dangerous economic structure in which secondary and service industries are required to carry too great a share of the employment and production burden.

Since mining is one of the State's basic industries, it should receive every reasonable stimulus and developmental aid which can be demonstrated to attract new industries based on mineral production and to expand existing establishments. *To the extent that the money expended by the Division of Mines results in increased mineral production, its expenditure is well justified.* Furthermore, it is of considerable importance to our national security that we have available information and data concerning the location, extent and availability of critical mineral substances essential to our industrial economy, but for stockpiling and in the event of curtailment of supplies from outside Continental United States.

The Division of Mines is presently conducting six important geologic investigations which are in their initial phase and will require from two to ten years for completion. The minerals involved are either already very important to industry or have a very high potential value both to industry and federal stockpiling. Consequently, the three additional employees are recommended.

The increase in operating expenses is due, in some part, to price increases but largely to increased activity in the division and the increased personnel. A reduction in support of \$1,947 is recommended to consist of \$600 from the printing of bulletins and maps, \$500 from general printing, \$150 from exhibits and \$697 from library equipment.

In 1947, the last year for which figures are available, the total value of mineral production in the State was \$958,219,000 of which \$172,745,000 was for nonpetroleum minerals and the balance for petroleum, natural gas and related products. The Division of Mine's expenditures for 1947-48 were \$256,854, or approximately 27 cents per \$1,000 of mineral production.

For Geological Exploration in Cooperation with United States Geological Survey

Item 212, page 47 of the Budget Bill and page 564 of the Budget. The amount requested, from the General Fund, is \$50,000 for geological exploration in cooperation with United States Geological Survey; provided, that any amount withdrawn from this item must be matched by an expenditure of a like amount by the Federal Government in this State and for this purpose. This is the same amount estimated to be expended for this purpose in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted	\$50,000
Legislative Auditor's recommendations	50,000
Reduction	None

Analysis

Expenditures are in the form of payments to the United States Geological Survey which performs the actual work of geological exploration and mapping of important mineral regions. The Federal Government matches all payments made by the State. *We recommend that the item be approved as requested.*

DEPARTMENT OF NATURAL RESOURCES—DIVISION OF OIL AND GAS

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

Item 213, page 47 of the Budget Bill and pages 565 and 566 of the Budget. The amount requested is \$377,212 from the Petroleum and Gas Fund for support of the Division of Oil and Gas. This is an increase of \$8,952 or 2.43 percent over the amount of \$368,260 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages	\$6,587	565
Operating expenses	1,455	565
Total	\$8,042	
Budgeted increase for new or expanded service:		
Equipment (additional)	\$2,545	565

Recommendations

Amount budgeted	\$377,212
Legislative Auditor's recommendations	377,212
Reduction	None

Analysis

The gross increase of support over the 1948-49 Budget is \$8,952 of which the greatest part is attributable to normal salary increases and to the filling of two positions which were partly vacant during the current fiscal year. Some of the increase is due to the continued rise in price index and falls within the percentage increase considered allowable.

The item of additional office equipment is reasonable and appears justified by work load. The anticipated revenue of the division, from assessment on the industry, will produce an estimated unbudgeted surplus of \$53,777 whereas the statutes of 1947, Chapter 38, require a minimum of \$50,000 unbudgeted surplus. The current fiscal year is estimated to produce an unbudgeted surplus of \$38,764, \$11,236 or 22.5 percent less than the required minimum. This shortage in unbudgeted surplus might possibly be ascribed to the strike conditions which existed in the industry during 1948 and undoubtedly reduced the output of crude oil to which is geared the income of the Division of Oil and Gas.

MARINE RESEARCH COMMITTEE

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

Item 214, page 47 of the Budget Bill and page 567 of the Budget. The amount requested is \$97,500 from the Fish and Game Preservation Fund for support of the Marine Research Committee. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted	\$97,500
Legislative Auditor's recommendations.....	97,500
Reduction	None

Analysis

The activities of this committee are of significant importance to the health and productivity of the commercial marine fishing industry of the State. The funds are actually derived from a special privilege tax of 50 cents per ton on sardines and are expended exclusively for research in marine fisheries by a cooperative agreement among a number of research institutes and services. Appropriation is recommended.

DEPARTMENT OF PROFESSIONAL AND VOCATIONAL STANDARDS

Departmental Administration from Professional and Vocational Standards Fund

There is no direct appropriation for support of this organization since the necessary funds are obtained from assessments against the several agencies in the Department of Professional and Vocational Standards.

From Items 215 to 237, pages 568 and 569 of the Budget. The amount requested is \$80,274 from the Professional and Vocational Standards Fund for the support of the Departmental Administration. This is an increase of \$3,976, or 5.2 percent over the amount of \$76,298 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages.....	\$4,518	568
Operating expenses	921	569
Equipment	—1,463	569
Total	\$3,976	
Budgeted increase for new or expanded service:		
None		

Recommendations

Amount budgeted	\$80,274
Legislative Auditor's recommendations.....	71,123
Reduction	\$9,151