

CONTROL SECTIONS

SECTION 3, page 96, of the Budget Bill

Recommendation: We recommend disapproval of the proposed Section 3.

This section would authorize a transfer to the Emergency Fund of any savings in support appropriations resulting from price decreases. The support appropriation requests for 1954-55 are based, for the most part, on the same prices as prevailed in 1953.

A similar section was placed in the Budget Act of 1953 (Section 9.5) and pursuant to this authority a total of \$863,617 was transferred to the Emergency Fund from agency budgets. The largest of these amounts were \$645,093 from the Department of Mental Hygiene and \$173,243 from the Department of Corrections and Youth Authority. These are shown on page 921 of the budget.

It is likely that during the next fiscal year there will again be considerable savings due to price decreases below budgeted levels. In our opinion the Emergency Fund authorization should be a fixed sum rather than an undetermined amount, and the \$1,500,000 now contained in Item 279 is a reasonable contingency item in view of present conditions.

SECTION 4, page 96, of the Budget Bill

Recommendation: We recommend approval.

This section reappropriates the unexpended balance of the \$500,000 originally appropriated by Item 287 of the Budget Act of 1952 and reappropriated by Item 283 of the Budget Act of 1953. This item provides funds for the augmentation of the Workshops for the Blind Manufacturing Fund, the Purchasing Revolving Fund and the Ballot Paper Revolving Fund to be transferred to these funds in such amount and for such periods as authorized by the Director of Finance.

SECTION 5, page 96, of the Budget Bill

Recommendation: We recommend approval of this section as submitted.

This section returns to the Capital Outlay and Savings Fund certain advances that were made to special fund construction projects for augmentation purposes.

SECTION 6, page 96, of the Budget Bill

Recommendation: We recommend approval of this section as proposed.

This section reappropriates Item 289.1 of the Budget Act of 1953, which covered the purchase of a site and the construction of a poultry brooding establishment for turkeys for use by the Poultry Improvement Commission. Since the item was payable from the Fair and Exposition Fund in the absence of any qualifying language in the 1953 Budget Act, the money was available for only one year. Other capital outlay items payable from the Capital Outlay and Savings Fund would be available for three years.

SECTION 7, page 96, of the Budget Bill

Recommendation: We recommend approval of this section.

This section continues until June 30, 1957, the availability of an original appropriation of \$300,000 from the San Francisco Harbor Improvement Fund to the credit of the San Francisco World Trade Center Authority for the purposes authorized in the World Trade Center Authorities Act of 1947. The availability of the appropriation by Chapter 1715, Statutes of 1951, is otherwise made available only until June 30, 1954.

SECTION 8, page 96, of the Budget Bill

Recommendation: We recommend approval of this section as proposed.

This section continues to make available through the 1954-55 Fiscal Year capital outlay items for agricultural purposes at Fresno State College, payable from the State College Fund.

SECTION 9, page 96, of the Budget Bill

Recommendation: We recommend approval of this section as proposed.

This section would extend the availability of the item for the purchase of a site and/or construction of facilities for the Los Angeles State College, which was appropriated by Item 336.1 of the Budget Act of 1952. Normally, this item would expire on June 30 of 1954. Since the problem of acquiring a site has not yet been resolved, it appears that there is ample justification for extending the availability of the funds until 1956.

SECTION 10, page 97, of the Budget Bill

Recommendation: We recommend approval of this section as proposed.

Item 341B of the Budget Act of 1951 appropriated \$142,000 for the installation of a sewer line and pumping plant for Pacific State Hospital. This section would reappropriate the item and, in addition, extend its usability for the purchase of stock or the payment of assessments in a sewage disposal district.

SECTION 11, page 97, of the Budget Bill

Recommendation: We recommend approval of this section as proposed.

Item 387 of the Budget Act of 1953 appropriated \$1,200,000 payable from the Flood Control Fund of 1946 for the Sacramento River Flood Control Project. In the absence of other language in the Budget Bill, this item was available for only one year. This section would extend the availability for one more year, which is necessary because of the time lag occasioned by the operating procedures of the United States Corps of Engineers.

SECTION 12, page 97, of the Budget Bill

Recommendation: We recommend approval of this section as proposed.

This section is intended to revert a series of balances, most of which represent anticipation of surpluses in various projects, which would otherwise not revert for several years. Some of the reversions, on the other hand, represent cancellations of projects, which the Department of Finance feels should not be undertaken for various reasons. In this category would be items D, E, and F, which represent appropriations made for the renovation of the Fashion League Building in Los Angeles, and appropriations made for certain new facilities at the State Fairgrounds. Item G represents an appropriation previously made for the planning of the psychiatric clinic in Los Angeles, which is to be reverted and a larger sum appropriated in the 1954 Budget Act. Item H is similar in character in that it represents a previous appropriation for a kitchen renovation at Metropolitan State Hospital, which is now to be reverted in view of a larger appropriation to be made in the 1954 Budget Act.

SECTION 13, page 98, of the Budget Bill

Recommendation: We recommend approval of this section as proposed.

This section represents the reversion of certain balances remaining from the appropriation of \$2,235,000 made by Chapter 127 of the Statutes of 1946 for the construction of certain facilities at the Veterans Home in Yountville.

SECTION 14, page 98, of the Budget Bill

Recommendation: We recommend approval of this section as proposed.

This section represents the reversion of an anticipated surplus in an item of appropriation made by the Budget Act of 1953 for construction at the Veterans Home at Yountville payable from the Athletic Commission Fund.

SECTION 15, page 98, of the Budget Bill

Recommendation: We recommend approval on the basis of existing law. However, we also believe the statutes should be changed to place all such revenues in the General Fund.

This section, in effect, provides for the transfer to the Capital Outlay and Savings Fund the General Fund's share of the revenues derived from rents and royalties from mineral leases and other revenues derived from marginal sea areas, and which have been impounded in the State Treasury and the Federal Treasury pursuant to a decision handed down by the Supreme Court of the United States, which would vest paramount rights over such marginal areas in the Federal Government. Stipulations have been entered into whereby all such revenues accruing from June 23, 1947, are impounded in special trust funds, both in the State Treasury and the Federal Treasury, pending final determination of litigation resulting from the decision handed down by the United States Supreme Court.

Section 6816 of the Public Resources Code provides a formula for the distribution of such revenues, and if all of this money, totaling an estimated sum of 70.2 million dollars as of June 30, 1955, were released to the State under the formula contained in Section 6816 of the Public Resources Code, the General Fund would share an amount approximating 37.2 million dollars, while the State Beach Fund would receive an estimated amount of 14.2 million dollars and the State Park Fund would receive an estimated sum of 18.9 million dollars. This distribution of money is shown in the schedule of impounded funds on page 1331 of the Governor's Budget.

SECTION 16, page 98, of the Budget Bill

Recommendation: We recommend the following changes in the language of this section, which is a restatement of Section 6 of the 1953 Budget Act, which provides certain controls in the Division of Architecture.

On page 98, line 23, following the word "improvements," add the words "working drawings." On line 28, following the word "improvements," add the words "working drawings." On line 39 following the word "further," add that "no major project for which appropriations are made herein shall be put out to bid until the working drawings therefor have been approved by the Department of Finance; provided further,".

The first change, that of adding the words "working drawings," is necessary because of the fact that the budget, as proposed for the 1954-55 Fiscal Year, contains a number of projects for working drawings only. Without this term in the control section, the Department of Finance would not have the same authority to pass on preliminary plans before permitting the Division of Architecture to proceed with working drawings as it now has with regard to construction appropriations. It is essential that these two words be added in the appropriate places in this section.

The second change is recommended to provide an opportunity for the Department of Finance to examine detailed drawings before they are submitted to contractors for bid. Actually, the examination would take place in the course of the development of the working drawings, rather than waiting until the drawings were complete. We believe that this will enable the Department of Finance to make further economies in construction costs.

SECTION 17, page 99, of the Budget Bill

Recommendation: We recommend approval of this section.

This section provides that no money appropriated by this act shall be used to pay the salary of any authorized state position which was vacant or continuously unfilled between October 1, 1953, and July 1, 1954, except with the specific approval of the Director of Finance subsequent to July 1, 1953.

This section also provides that the Director of Finance shall make a report of all positions vacant for the period specified to the Joint Legislative Budget Committee not later than 30 days prior to the convening

of the 1955 Regular Session of the Legislature. A report of positions authorized to be filled and positions abolished pursuant to this section is also required. Similar provisions were contained in the 1953 Budget Act.

SECTION 18, page 99, of the Budget Bill

Recommendation: We recommend approval.

This section provides that the Department of Finance must investigate and establish the necessity for the acquisition or replacement of motor vehicles. It provides that all passenger automobiles shall be of the light class, except for constitutional officers or unless the Director of Finance determines that unusual requirements would justify a heavier class automobile, or for appointees of the Governor.

SECTION 19, page 99, of the Budget Bill

Recommendation: We recommend approval.

This section establishes the same restriction of light automobiles for the Department of Public Works as are provided by Section 18.

SECTION 20, page 99, of the Budget Bill

Recommendation: We recommend approval.

This section prohibits the purchase of furnishings for any house or apartment of three or more rooms other than a dormitory, except for a superintendent of an institution, warden, or physician. This is similar to a provision in the 1953 Budget Act.

SECTION 21, page 100, of the Budget Bill

Recommendation: We recommend approval.

This section prohibits expenditure of funds appropriated by this act for employee cafeterias in state office buildings unless expressly authorized by a schedule in this act.

SECTION 22, page 100, of the Budget Bill

Recommendation: We recommend approval.

This section restricts expenditures for rugs or carpets for state offices.

SECTION 23, page 100, of the Budget Bill

Recommendation: We recommend approval.

This section restricts expenditures from appropriations made in the Budget Act to categories or projects set forth in the Budget Act schedule, except as otherwise provided in other sections of this act.

SECTION 24, page 101, of the Budget Bill

Recommendation: We recommend approval of this section.

This section authorizes the Director of Finance, upon request of any agency to which an appropriation is made, to transfer amounts between categories or between projects designated in any schedule of an item of appropriation.

SECTION 25, page 101, of the Budget Bill

Recommendation: We recommend approval of this section.

This section permits the Director of Finance to augment appropriations in the Budget Act where additional amounts are received from state, local, or Federal Government agencies or other sources, which are in excess of the amount considered in determining such an appropriation. Conversely, it permits the Director of Finance to reduce appropriations in the same manner.

SECTION 26, page 101, of the Budget Bill

Recommendation: We recommend approval of this section.

This section permits the payment of premiums for official bonds covering a period in excess of one fiscal year. Potential savings in premium costs may be realized through such procedure.

SECTION 27, page 101, of the Budget Bill

Recommendation: We recommend approval.

This section provides that expenditures from the Emergency Fund or Salary Increase Fund shall be deemed an augmentation and increase of the appropriation made by this act for accounting purposes.

SECTION 28, page 101, of the Budget Bill

Recommendation: We recommend approval.

This section permits the State Board of Control, upon the recommendation of the Director of Finance, to transfer unneeded funds from an appropriation for support for an institution, or for family care, school or college within the same agency. This is limited to the Department of Corrections, California Youth Authority, Department of Education, and the Department of Mental Hygiene.

SECTION 29, page 102, of the Budget Bill

Recommendation: We recommend approval.

This section permits the Department of Finance to transfer funds from one agency to another when the functions performed by the respective agencies are transferred.

SECTION 30, page 102, of the Budget Bill

Recommendation: We recommend approval.

This section provides that when functions of any agency for which appropriation has been made in this act are discontinued the unexpended portion of the appropriation for such agency shall revert to the unexpended balance of the fund from which such appropriation was made.

SECTION 31, page 102, of the Budget Bill

Recommendation: We recommend approval.

This section provides that the State Board of Control shall make adjustments in appropriations as a result of changes of laws affecting an agency.

SECTION 32, page 102, of the Budget Bill

Recommendation: We recommend approval.

This section provides that appropriations under this act shall be expended in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance. Provision is made for Salary Savings Reserve.

SECTION 33, page 103, of the Budget Bill

Recommendation: We recommend approval.

This section prohibits officers of state agencies who receive appropriations in the Budget Act from making expenditures in excess of such appropriations without the consent of the Department of Finance.

SECTION 34, page 103, of the Budget Bill

Recommendation: We recommend approval.

This section provides for the effect upon appropriations if any item in this act is eliminated or vetoed by the Governor.

SECTION 35, page 104, of the Budget Bill

Recommendation: We recommend approval.

This is a savings clause to protect the Budget Act should a portion of it be declared unconstitutional.

SECTION 36, page 104, of the Budget Bill

Recommendation: We recommend approval.

This section provides that the Budget Act shall take effect immediately as prescribed under the provisions of Section 1 of Article IV of the State Constitution.

SECTION 37, page 104, of the Budget Bill

Recommendation: We recommend approval.

This section provides that the Budget Act of 1954 is an urgency measure and as such would go into effect immediately.