

Information Service to Aid to Needy Children Program—Continued

in the cost of the service by the Department of Motor Vehicles from \$2 per referral to actual cost. In the budget year an increase in the number of information requests is anticipated.

We recommend the amount budgeted.

**Department of Motor Vehicles
DEFICIENCY PAYMENTS**

ITEM 174 of the Budget Bill

FOR PAYMENTS OF DEFICIENCIES IN APPROPRIATIONS FOR THE DEPARTMENT OF MOTOR VEHICLES FROM THE MOTOR VEHICLE FUND

Amount requested	\$100,000
Estimated to be transferred for additional support and capital outlay in the 1955-56 Fiscal Year	99,636
Increase	\$364

RECOMMENDATIONS

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

ANALYSIS

The Department of Motor Vehicles is prohibited by law from creating deficiencies. The emergency fund is available only to General Fund agencies. The Department of Motor Vehicles is supported from special funds and is not eligible to use the emergency fund. We believe this large agency should have recourse to an additional appropriation in case of unforeseen emergencies.

During the current fiscal year it became necessary to transfer \$99,636 from the item for deficiency payments in the Budget Act of 1955. The above amount was necessary due to a fire which destroyed the department's warehouse in Sacramento. An amount of \$89,911 was used to replace forms and other supplies and equipment. The balance of \$9,725 was authorized for the construction of a freight elevator in the Sacramento headquarters building where supplies and equipment are now stored.

We recommend approval.

DEPARTMENT OF FISH AND GAME

ITEM 175 of the Budget Bill

Budget page 675
Budget line No. 63

FOR SUPPORT OF THE DEPARTMENT OF FISH AND GAME FROM THE FISH AND GAME PRESERVATION FUND

Amount requested	\$7,345,677
Estimated to be expended in 1955-56 Fiscal Year	6,971,706
Increase (5.4 percent)	\$373,971

Department of Fish and Game—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line	
		Work load or salary adjustments	New services	page	No.
Salaries and wages-----	\$168,535	\$72,187	\$96,348	699	47
Operating expense-----	102,716	68,753	33,963	699	48
Equipment-----	70,905	37,637	33,268	699	49
Plus: decreased reimbursements	31,815	31,815	--	699	70
Total increase-----	\$373,971	\$210,392	\$163,579	699	72

RECOMMENDATIONS

Amount budgeted-----	\$7,345,677
Legislative Auditor's recommendation-----	7,168,313
Reduction-----	\$177,364

ANALYSIS

The Department of Fish and Game is responsible for the administration of the directives and policies issued by the Fish and Game Commission and the Legislature to preserve the fish and game of California and to provide recreation for hunting and fishing enthusiasts. This administration includes law enforcement for wildlife protection, operation of facilities for the propagation of fish and game and field management for their controlled release, improvement of the natural habitats, control of undesirable and preying species, dissemination of department informational and educational materials, and performance of many types of research.

The Department of Fish and Game is administered by a director appointed by the Governor, with a fish and game commission serving as an advisory group to the department through the director. The director is aided in the over-all departmental operation by a deputy-director in a similar line relationship from the director as the Administration and Conservation Education units. In a line from the deputy director are the staff and regional units. Five regional subdivisions execute the field management of the department and receive advice and administrative control relative to specific phases of fish and game management from the departmental staff counterparts in Sacramento.

Revenues incident to the operation of the department are placed in the Fish and Game Preservation Fund and expenditures are made therefrom for all phases of departmental operation. Since Fiscal Year 1950-51, the fund has operated at a deficit, such deficit having been balanced by withdrawals from the accumulated surplus.

Three and one-half positions were authorized for 1955-56 for the Nimbus hatchery which officially opened this fall. This hatchery is operated by the State under contract to the Federal Government, and all costs of operation are defrayed by the Federal Government. Fourteen permanent positions were authorized for the inland fisheries function of Region IV for Fiscal Year 1955-56 to operate the expanded facilities of the San Joaquin and Moccasin Creek hatcheries. These operations have progressed as planned and are effectively utilizing the authorized positions. Also, in Region IV, four permanent positions were authorized for Fiscal Year 1955-56 to staff the Mendota waterfowl management area. This area is in full operation with a total comple-

Department of Fish and Game—Continued

ment of 11 employees, seven of whom conduct a Pittman-Robertson development project.

In the budget year no further major expansion of facilities is proposed and there will be a continued examination of the feasibility of discontinuing or reducing the game farm operations based on many factors, including the unit cost per bird to place it in the field, the saturation of natural habitats with game birds, and the return to the sportsmen's bag of planted vs. wild birds. Intensified experimentation of fish foods will continue to determine the best type of fish food to be used based on factors such as increased pounds of fish per unit of fish food, and the comparable procurement and storage costs of types of fish food per pound increase of hatchery-reared fish.

The department has instituted various programs designed for overall improved management. In-service training devised to increase the efficiency of the departmental personnel; a safety program which helped reduce accident costs by \$12,262 in the first 12 months under the program; and, a refined, inexpensive trout hatchery cost accounting system were the most notable of the programs instituted during the last year to improve certain phases of management.

Organizationally, the principal changes during 1955 were the removal of the Game Disease and Food Habits Laboratory from Berkeley to Sacramento to bring about better coordination of this work with field management, and the consolidation under one leader of all big game research and management programs which are conducted in cooperation with the Federal Government pursuant to the provisions of the Pittman-Robertson Act.

The department has effected a cooperative work program with the Division of Water Resources to provide increased, accurate information relating to the needs and problems of the fish and wildlife in the State Water Development Plan, and has made a significant step in integrating the responsibility for inspection of waterflow maintenance dams into the responsibilities of the Wildlife Protection Service.

Improved trout production operations, including the perfecting of a fish loader conveyor, the use of a refrigerated truck to reduce ice costs, the use of drugs to reduce the metabolism of the fish and make possible greater quantities of airplane planting, and the utilization of improved fish food and feeding practices, have decreased the cost of fish from \$1.07 per pound for 928,922 pounds in Fiscal Year 1953-54 to 89 cents per pound for 1,310,102 pounds in the 1954-55 Fiscal Year.

The department has also consolidated game farm feed purchases for Southern California installations resulting in a savings of approximately \$2,000 in 1955.

Constant surveillance of the procedures used for the collecting, recording and filing of statistical data has resulted in many improvements by the department in streamlining these related procedures.

The Department of Fish and Game proposes to increase net support expenditures for its operations in the 1956-57 Fiscal Year by \$373,971, or approximately 5.4 percent from \$6,971,706 estimated to be expended during the current fiscal year, to \$7,345,677 in the budget year. The total proposed departmental expenditures for the budget year including the contribution to State Employees' Retirement Fund, Game Manage-

Department of Fish and Game—Continued

ment and Fisheries Management in cooperation with the Federal Government, cooperation with the Pacific Marine Fisheries Commission, Marine Research Committee, a kelp study, and other anticipated current expenses is \$8,362,707. Capital outlay is excluded from this figure. The total revenues accruing to the Fish and Game Preservation Fund for the same period is estimated at \$7,594,130, with the resulting estimated operating deficit of \$768,577, to which must be added the capital outlay expenditure. The major increases are in staff operations (safety maintenance), the addition of 35 new positions and equipment applicable thereto, and automotive replacement. Our analysis of expenditures follow under subheadings designating the functional subdivisions of the department, and the Fish and Game Commission.

Fish and Game Commission

The Fish and Game Commission serves the department in an advisory capacity and also makes certain rules and prescribes regulations for the taking of certain fish and game. The commission proposes an increase from \$33,054 estimated to be expended in the current fiscal year to \$34,301 in the budget year, an increase of \$1,247 in which there is included an increase of \$834 in out-of-state travel. Attending the various meetings proposed is deemed important to insure consistency of operations and to keep abreast of fluctuating conditions. However, it is considered that such attendance by one commissioner should be sufficient for the purposes noted and, *therefore, we recommend that out-of-state travel be reduced to \$1,342, which will result in a saving of \$1,342.* We recommend approval of the budget for the Fish and Game Commission, revised as noted.

Administration

The administrative unit provides business services and executive direction to the over-all departmental operation. For budget purposes the director and deputy director are included in this unit. There is a proposed increase in cost of administrative services of \$9,654, or 1.5 percent from \$632,352 estimated to be expended in the current year, to \$642,006 in the budget year.

The major increase is attributed to the annual salary adjustments of approximately \$6,900 and the remaining increase is divided among the various operational items. We recommend approval of the budget for administration as submitted but point to our observations, made above, concerning these costs.

Staff Operation

This departmental unit provides staff direction, control, cooperation and advice for the respective field operations. For the budget year it is proposed to increase the staff operations by \$38,332, from \$708,315 estimated to be expended in the current fiscal year, to \$746,647 proposed in the budget year. The primary increase is attributable to \$40,000 for special safety maintenance prescribed by the Department of Industrial Relations. Fish food expenditures increase as expanding operations result in increased production of fish, although this unit has proposed substantial reductions in other operating expenses.

Department of Fish and Game—Continued

Consistent with our prior recommendations relative to out-of-state travel, we feel that representation by staff members at meetings which are to be attended by the director and/or a commissioner is unnecessary and feel that the branch chiefs will serve a much more valuable purpose in conducting their various branch functions. It is presumed that information will be disseminated by those attending the meetings. For this reason we feel that the proposed budget expenditures allotted for out-of-state travel for staff members for their attendance of the Western Association of Fish and Game Commissioners, the International Association of Fish and Game Commissioners and the American Fisheries Society, and the annual meeting of the North American Wildlife Conference, *be deleted at a savings of \$2,262*. We also feel that the presence of one biologist rather than two as proposed is sufficient at the meeting of the Pacific Fisheries Biologists for the reasons noted above at the saving of \$181 *for a total saving in out-of-state travel for the staff operations of \$2,443*. Subject to the reduction of out-of-state travel, we recommend that the budget for staff operations be approved as submitted.

Conservation Education

This unit, a departmental headquarters operation, is responsible for the dissemination and explanation of departmental informational and educational materials.

In the budget year it is proposed to increase this unit's expenditures by \$18,225, or approximately 11.0 percent, from \$165,493 estimated to be expended in the current fiscal year to \$183,718 in the budget year. The major increase is attributable to the proposed expenditures for educational films amounting to \$15,000, and an increase in printing for "Sportsmen's Services" of \$9,850.

A recent over-all departmental survey and analysis indicated that a problem which should cause considerable concern to the department is, to a certain degree, the inability to "sell" sound fish and game field management practices to the public. We feel that the most pertinent educational medium is through printed materials specifically designed for the interested sportsmen, explaining the background of a particular problem and why the proposed field management is to be effected, both from a conservation as well as a "sportsman return" point of view. The increase in the Conservation Education budget for printing is reflected in this type of material and we therefore recommend approval. However, to be effective there must be a planned distribution of this material in order to put it in the sportsman's hands. Commercial organizations have indicated an interest in the past to include this material in their leaflet type of advertising material and it is felt that serious consideration should be given to distribution in this manner, and encouraging such companies to include in their advertising such items as hunting and fishing seasons, regulations, fish and game descriptions and areas where they are available, as well as safety and precautionary standards, much the same as sports events, etc., are now included. Developing such sources of distribution could ultimately lower the State's printing cost and increase interest and distribution. Approximately 20 percent of the State's population purchase licenses. Fish and game sportsmen are noted travelers, and it follows that

Department of Fish and Game—Continued

gasoline companies in particular, resort areas, etc., would be interested in developing this type of advertisement as a pertinent interest point in their brochures and leaflets.

Conversely, it is felt that visual aids, i.e., films and slides, do not come to the attention of a large enough segment of the interested state population to warrant major expenditures therefor. They are excellent for educational purposes and certainly have their place in over-all conservation education. However, we feel that expenditures for visual aids should be more static with a view toward modernization of existing films and completion of two or three additional films each year, which should anticipate major trouble spots and be aimed toward aiding the department in its effort to justify particular departmental programs on fish and game management.

Inasmuch as a sum of \$5,000 which was allotted for the current fiscal year has not been expended for the film for which it was earmarked, it is proposed that the budget year request for visual aids be reduced from \$15,000 to \$5,000 which would provide the funds necessary for the completion of visual aids to the extent of \$10,000 (current fiscal year \$5,000 and budget year \$5,000). *With this reduction of \$10,000*, it is recommended that the budget proposed for Conservation Education be approved as submitted.

Marine Fisheries

This unit operates independently of the regional organization and is primarily concerned with research in the life habits and environmental conditions of the Pacific Ocean fish. Research, compilation of statistics and publishing of pertinent data comprise its basic objectives, for which is provided major laboratory facilities at Terminal Island and Palo Alto, specially equipped vessels and statistical units.

For the budget year, Marine Fisheries proposes approximately the same level of operation with a small increase of \$695 from \$715,735 in the current fiscal year to \$716,430 in the budget year. Nominal increases in salaries and wages and in boat replacements are almost completely offset by a substantial reduction in operating expenses. It is felt that the budget request for the Marine Fisheries is adequate and justifiable and we recommend approval as submitted.

Regional Operations—Headquarters

The Governor's Budget provides a region by region breakdown showing the salaries, operating expenses and equipment items relative to each function within each region. To provide a comprehensive analysis of the regional operations, this analysis will portray the various regions together as a unit and will deal with each function separately.

The regional headquarters consist of the regional managers and the business management, game management, inland fisheries management, and wildlife protection management units. For the budget year it is proposed to increase the combined regional headquarters functions by \$30,112, or approximately 5.6 percent from \$534,549 estimated for the current fiscal year to \$564,661 proposed for the budget year. The increase is primarily due to merit salary adjustments, automotive and office replacement and office moving expenses. We recommend that the budget for regional headquarters units be approved as submitted.

Department of Fish and Game—Continued

Regional Operation—Inland Fisheries

The inland fisheries function includes fish hatcheries operations, research, and stream and lake improvement activities. For the budget year it is proposed to increase this operation by \$43,957 or approximately 3.4 percent, from \$1,290,045 estimated to be expended in the current fiscal year, to \$1,334,002 proposed for the budget year. Primarily, the increase is attributable to automotive replacement, merit salary adjustments, three new fisheries manager II positions, and two fish hatchery assistant positions. The proposed new positions account for a salary increase of \$20,808.

In the case of the two fisheries manager II positions requested for investigation of water right applications, we feel that such applications should be investigated by existing regional personnel with the necessary supplemental aid provided by departmental personnel. The department's justification does not provide a suitable yardstick to measure the need, and inasmuch as this type of work is integrated into the duties of present positions and could be even further integrated into lesser field positions it is questionable that new positions should be created for just one phase of the fisheries management function, and therefore we recommend that these positions and the operating and equipment expenses pertinent thereto be deleted.

The proposed budget provides for a fisheries manager II position in Region II to conduct stream investigations to determine the need for fish screens and ladders. The policy of the regions to date has been to vest this type of responsibility generally in fisheries manager I positions and their line subordinates, as well as the responsibilities of constructing the screens and installing the screens and ladders. Region II at present has a fisheries manager in charge of the construction and installation of screens and a fisheries manager in charge of construction and installation of flow maintenance dams and related equipment, and the proposed position would provide for the investigation phase. We feel that this would over-decentralize an operation which in reality should be combined as it is in the other four regions. It is suggested that one existing position be assigned the three-fold responsibility of this operation which could be accomplished by the present complement of personnel. We therefore recommend that this position and the operating and equipment expenses applicable be also deleted providing for a *total salary saving of \$14,220 and operating and equipment saving of \$11,875 for a total savings of \$26,095*. Subject to this saving, we recommend the regional fisheries management budget be approved as submitted.

Regional Operation—Game Management

This regional function is concerned with the operation of game farms and the controlled release of the birds raised, predator control, game habitat improvement and development, big game and upland game management, and the operation of waterfowl management areas. At the present time three of the regions, I, II and V have a game manager position to aid the game management supervisor in the over-all game management function.

Department of Fish and Game—Continued

The budget for this operation proposes a decrease of \$44,588, or approximately 3.8 percent from \$1,150,009 estimated to be expended in the current fiscal year to \$1,105,421 proposed in the budget year. Any increases noted in automotive replacement were offset by reductions in operating and salary expenditures. Operating expenses in the game management function proposed in each region decreased from that estimated for the present fiscal year, except in Region IV where the proposed expanded flooding for increased public hunting in the Mendota waterfowl management area increased the utility expenditure by approximately \$6,600, and in Region V where, in line with a new program proposed by the Fish and Game Commission, \$4,000 is provided for the purchase of game birds. We recommend approval of the regional game management budget as submitted.

Regional Operation—Wildlife Protection

The regional wildlife protection function is responsible for law enforcement on land and along the California coastal sea waters, and to aid hunters and fishermen on the field level by informational and educational presentations, hunter safety programs and general patrol.

The regional wildlife protection budgets propose an increase of \$276,337, or approximately 15.7 percent, from \$1,766,654 estimated to be expended in the current fiscal year to \$2,042,991 proposed for the budget year. Merit salary adjustments plus five proposed new fish and game warden-captain positions and 25 new warden positions account for more than one-half of the increase and automotive and boat replacement and overhauls account for most of the remainder.

The diversified environmental qualities of California minimize the value of assigning wardens on a standardized square mile basis. Where one warden may satisfactorily patrol 2,000 square miles in the southern part of the State, three to four wardens might be required to patrol an area of similar size in the mountainous sections. Similarly, an area that includes several cities with a concentration of the State's population generally requires less warden staffing than a remote area abounding in fish and game. It is reasonable to assume that neither area nor local population provide a satisfactory basis for staffing the Wildlife Protection Branch but, rather that geography and hunting and fishing pressures or work loads in certain areas should be principal factors considered.

However, since pressures evolve largely from the number of sportsmen who travel from the urban to the rural areas there must be a representation by wardens in both areas, the one primarily for hunter education among other duties and the other primarily for on-the-spot patrol. It is noted in the report by the Department of Finance, A. N. 701, dated November 30, 1954, that the most logical criteria for over-all staffing is that of wardens in relation to license holders. It has been found by the Department of Fish and Game that the reassigning of wardens temporarily from one area to another during peak work load periods has often worked to a detriment of an area from which the wardens were reassigned and has also proven expensive. Proper coordination of the activities of the wardens requires close control on the field level for optimum utilization of available manpower. The activity

Department of Fish and Game—Continued

in one area again may require more intensive control than in another and, therefore, it would follow that types and amounts of activities should decide the number of wardens to be supervised by warden-captains.

The proposed addition of 25 warden and five warden-captain positions would bring the total warden positions to 212 and the warden-captain positions to 25.

As mentioned, it is proposed that the criteria of warden staffing should be based largely on the number of license holders. However, the actual budget increase has been based on a finding of the Department of Finance and concurred with by the Department of Fish and Game that a logical figure is one warden per 7,500 license holders. From the same source, a figure of nine wardens per warden-captain has been ascertained for the best field results. The proposed increase evolves an approximate ratio of one warden per 8,800 license holders and 8.5 wardens per warden-captain.

No proper ratio between licensees and wardens can be established without in turn deciding the degree of enforcement that is to be made effective. It is impossible to have 100 percent enforcement. It is, in fact, impossible to know whether there is 100 percent compliance with the law. The department should establish a procedure for routine checking of compliance with law in given areas, as a ratio to persons estimated to be actively engaged in hunting or fishing in the area. Relating the results of this check against standards established for the purpose, adequacy of enforcement can be determined within reasonable limits and budget requests justified accordingly. As it is now, any ratio which is used is arbitrary and unsupportable. All that can be said in support of this request is that *if* the present enforcement program is unsatisfactory and *if* the best way to measure increased needs is over-all increase in licensees, then an increase in personnel conforming to an increase in licensees will increase enforcement activity. It does not say what the degree of lack of enforcement might be or what it will be after the added wardens are employed, or whether that is proper enforcement.

At the present time the department employs 187 wardens and 19 warden-captains. In Fiscal Year 1954-55 the department sold 1,915,362 hunting, angling and commercial fishing licenses which evolves a figure of one warden per 10,242 licensees and one warden-captain per 9.8 wardens. License sales since Fiscal Year 1950-51 have shown an average yearly increase of 6 percent. Projecting this percentage increase for 1956-57 Fiscal Year there will be approximately 2,030,000 licenses sold. To continue the existing level of service in the budget year, i.e., one warden per 10,242 licensees, there would be an increase of 11 in the warden staff and a consequent increase of one warden-captain to maintain the ratio of one warden-captain to each 9.8 wardens.

Therefore, we recommend that 11 wardens and one warden-captain position be allowed of the 25 warden and five warden-captain positions originally requested with a consequent savings of \$82,128 in salaries, \$28,698 in operating expenses and \$26,658 in equipment for a total savings in the regional wildlife protection budget of \$137,484,

Department of Fish and Game—Continued

and subject to the savings noted, we recommend approval of the regional wildlife protection budget.

Equipment expenditures were originally proposed at \$477,681 for the budget year. As a result of meetings of the Department of Fish and Game and Finance and this office, the figure was reduced to \$345,705, a decrease of \$101,976 or approximately 22.8 percent. As a result of field investigations and a logical evaluation of the agency's equipment needs, this reduction was found to be justified.

The following table illustrates the comparative increases of certain items:

	1954-55	1955-56	1956-57
Long distance charges-----	34,290	35,440	36,740
Teletype and telegraph-----	3,083	3,650	3,930
Travel (in-state)-----	358,125	372,685	392,470
Travel (out-of-state)-----	6,432	11,738	10,894
Automobile operations-----	492,016	530,913	562,305

Communications expenditures have increased 8.8 percent based on the proposed budget since the 1954-55 Fiscal Year and by 4.4 percent over that estimated to be expended in the current fiscal year.

In-state travel expenditures have increased 9.6 percent from Fiscal Year 1954-55 to the expected expenditures in the current fiscal year and by 5.3 percent from the current to the budget fiscal year.

The proposed budget of out-of-state travel presents an increase of 69.4 percent over the 1954-55 Fiscal Year but allows a decrease of 7.7 percent from the estimated expenditures for the current fiscal year.

Automobile operation expenditures continue to rise, representing an increase of 14.3 percent from 1954-55 to the budget year and an increase of 5.9 percent from that estimated to be expended in the present fiscal year to the proposed budget year.

The automobile operations and in-state travel expenditures correlated with the addition of the 30 warden and warden-captain personnel in the regions accounts for the greatest part of the proposed increase in these items.

We question the need for the proposed increased expenditure for communications and again stress that the department examine its criteria used for allowing personnel to resort to long distance calls instead of using the medium of letter correspondence.

Department of Fish and Game

GAME MANAGEMENT IN COOPERATION WITH THE FEDERAL GOVERNMENT

ITEM 176 of the Budget Bill

Budget page 700

Budget line No. 44

FOR SUPPORT OF GAME MANAGEMENT IN COOPERATION WITH THE FEDERAL GOVERNMENT AS PROVIDED BY THE PITTMAN-ROBERTSON ACT FROM THE FISH AND GAME PRESERVATION FUND

Amount requested-----	\$280,019
Estimated to be expended in 1955-56 Fiscal Year-----	226,030
Increase (23.9 percent)-----	\$53,989

Game Management in Cooperation With the Federal Government—Continued

RECOMMENDATIONS

Amount budgeted	\$280,019
Legislative Auditor's recommendation	280,019
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Reduction	None

ANALYSIS

This item represents the State's share (25 percent) of expenses resulting from projects undertaken in cooperation with the Federal Government pursuant to the provisions of the Pittman-Robertson Act.

These projects have as their objectives surveys and investigations, development, land acquisitions, and coordination as they relate to sound game management.

It is proposed to increase the range of these activities, resulting from a larger available federal allocation.

During the past year we have conducted a survey of the Department of Fish and Game which includes a fuller explanation of the operations of both the Pittman-Robertson and the Dingell-Johnson federal-aid programs. The first part of this survey, dealing with organization and functions of the Department of Fish and Game, was made to the Joint Legislative Budget Committee in January of this year. A second part dealing with selected phases of operation, including the federal-aid programs, will be made to the Legislature at the 1956 Session.

Department of Fish and Game

FISHERIES MANAGEMENT IN COOPERATION WITH THE FEDERAL GOVERNMENT

ITEM 177 of the Budget Bill

Budget page 676

Budget line No. 19

FOR SUPPORT OF FISHERIES MANAGEMENT IN COOPERATION WITH THE FEDERAL GOVERNMENT, AS PROVIDED BY THE DINGELL-JOHNSON ACT, FROM THE FISH AND GAME PRESERVATION FUND

Amount requested	\$77,597
Estimated to be expended in 1955-56 Fiscal Year	76,750
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Increase (1.1 percent)	\$847

RECOMMENDATIONS

Amount budgeted	\$77,597
Legislative Auditor's recommendation	77,597
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Reduction	None

ANALYSIS

Pursuant to the objectives of the Dingell-Johnson Act, the State conducts projects for fisheries investigations and management on various inland and marine fisheries, surf fishing, fish management coordination and water problems as they affect fisheries. As in the Pittman-Robertson project the State defrays 25 percent of the expenses resulting from the activities, the Federal Government absorbing the remaining 75 percent.

Again, the anticipated increased expenditures are proportionate to the increased appropriation made available by the Federal Government.

We recommend approval.

Department of Fish and Game
PACIFIC MARINE FISHERIES COMMISSION

ITEM 178 of the Budget Bill

Budget page 676
Budget line No. 30

FOR SUPPORT OF PACIFIC MARINE FISHERIES COMMISSION FROM
THE FISH AND GAME PRESERVATION FUND

Amount requested	\$17,600
Estimated to be expended in 1955-56 Fiscal Year	17,600
Increase	None

RECOMMENDATIONS

Amount budgeted	\$17,600
Legislative Auditor's recommendation	17,600
Reduction	None

ANALYSIS

The States of California, Oregon and Washington cooperate in the Pacific Marine Fisheries Commission program with objectives of promoting methods, practices, circumstances and conditions for bringing about the conservation and prevention of the depletion and physical waste of the marine, shell and anadromous fisheries of the Pacific Ocean.

The member states contribute a percentage of the yearly program of \$25,000, such percentage based upon the value of each state's commercial fish catch. By this formula, California will contribute \$17,600 in the budget year, which is the same amount estimated to be expended in the current fiscal year.

We feel this is an important program and recommend approval of this item as submitted.

Department of Fish and Game
KELP BED INVESTIGATION

ITEM 179 of the Budget Bill

Budget page 676
Budget line No. 32

FOR SUPPORT OF KELP BED INVESTIGATION FROM THE FISH AND
GAME PRESERVATION FUND

Amount requested	\$30,000
Estimated to be expended in 1955-56 Fiscal Year	--
Increase	\$30,000

RECOMMENDATIONS

Amount budgeted	\$30,000
Legislative Auditor's recommendation	30,000
Reduction	None

ANALYSIS

The department proposes a long-range program extending over a period of approximately five years and involving the ultimate expenditure of approximately \$200,000 to conduct a full-scale investigation into all aspects relating to the kelp beds.

This departmental investigation is to proceed concurrently with and to be integrated into a study to be conducted by the State Pollution Control Board inasmuch as the department concedes that any investi-

Kelp Bed Investigation—Continued

gation of the kelp which does not concern itself with sewerage outfall and its effect on the beds cannot realize optimum success.

The \$30,000 requested is to implement the program and it is realized that this initial amount cannot be used to advantage without the completion of the project to the full extent of the proposed \$200,000.

Problems involving kelp beds are both various and inter-related, and there is an assumption based on certain scientific sources that the kelp beds play an important role in the condition of the marine fisheries and consequently anything that harms the kelp beds would have an adverse effect on the marine fish life. It has been advanced that sewerage outfall and kelp harvesting among other factors endanger the kelp beds, the most harmful being the former.

The department feels that among first priority in any kelp study, along with the pollution investigation, are these two inter-related points:

1. Effect on kelp and on fish of various methods of harvesting, such as rotation of cutting, leaving sections uncut for longer periods, strip harvesting, et cetera.

2. Natural causes of kelp bed deterioration, including storms, sand movement, water turbidity, high temperatures, diseases of kelp, smothering of kelp fronds by encrusting growths, and predation of young kelp by sea urchins, abalone, and other herbivorous sealife.

The department has investigated various possibilities of financing the project and has found that the only method available is as submitted, inasmuch as Dingell-Johnson funds are committed and the present law does not allow such a project to be financed by the Wildlife Conservation Board.

The State Water Pollution Control Board has completed a general study titled "Investigation of the Efficacy of Submarine Outfall of Sewage and Sludge" in order to plan future projects. The board is not conducting an intensified study of the effect of sewage on the kelp beds at the present time, and such a study may not be undertaken this year.

In view of the crucial nature of the project, it is recommended that the item be approved. However, since the department feels that its investigation must be integrated with or operated parallel to that of the Pollution Control Board, it is suggested that kelp bed study expenditures be deferred until actual implementation of the project by the board.

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

ITEM 180 of the Budget Bill

Budget page 712
Budget line No. 7

**FOR SUPPORT OF MARINE RESEARCH COMMITTEE FROM THE
FISH AND GAME PRESERVATION FUND**

Amount requested	\$100,000
Estimated to be expended in 1955-56 Fiscal Year	74,790
Increase (33.7 percent)	\$25,210

Marine Research Committee—Continued

RECOMMENDATIONS

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

ANALYSIS

The fishing industry has recognized the need for research in all phases of marine fisheries problems, but particularly in connection with the annual decrease in harvest tonnages of certain species. The industry is content to pay a privilege tax of 5 cents per hundred pounds landed on sardines, Pacific mackerel, jack mackerel, squid, herring, and anchovies. Chapter 808 of the Statutes of 1955 extended the effective date of the privilege tax to December 31, 1957. The money accumulated from the tax goes into the Fish and Game Preservation Fund where it is earmarked to be expended by the Marine Research Committee.

The Marine Research Committee does no research itself but instead directs research activities of contracting scientific organizations, which carry out the work. It is estimated that during the 1956-57 Fiscal Year the privilege tax will produce approximately \$107,000, which together with the estimated surplus on July 1, 1956, of \$178,209 will make an ample balance from which to support the proposed \$100,000 expenditure for the 1956-57 Fiscal Year. During the current fiscal year only \$73,790 was budgeted for this agency primarily because it was anticipated that the tax would expire on December 31, 1955, and that the comparatively small income, plus the remaining surplus, would not support a larger program. However, subsequently the Legislature extended the date, which made more money available.

We would like to point out that the Marine Research Committee has not issued a report for over two years. It is our understanding that there appears to be an internal controversy concerning certain findings which are interpreted in directly opposite ways by the two factions involved. While we believe that the research work encouraged and stimulated by this committee is very important to the commercial fisheries of California, we believe that the research findings should be published so that interpretation can be made of the facts. We would recommend that the Legislature request this committee to submit its report without further delay and that it approve the item as submitted.

**Department of Natural Resources
DIVISION OF ADMINISTRATION**

ITEM 181 of the Budget Bill

Budget page 715
Budget line No. 7

**FOR SUPPORT OF DIVISION OF ADMINISTRATION FROM THE
GENERAL FUND**

Amount requested	\$279,580
Estimated to be expended in 1955-56 Fiscal Year	274,940
Increase (1.7 percent)	\$4,640

Division of Administration—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$2,993	\$2,993	--	716 43
Operating expense	1,871	1,871	--	716 65
Equipment	—102	—102	--	716 72
Less: increased reimbursements ..	—122	—122	--	716 84
Total increase	\$4,640	\$4,640	--	

RECOMMENDATIONS

Amount budgeted	\$279,580
Legislative Auditor's recommendation	277,380
Reduction	\$2,200

ANALYSIS

The Division of Administration of the Department of Natural Resources contains the office of the director and provides the personnel and housekeeping functions for the departmental organization. In addition to the \$279,580 requested in this item, \$116,483 is provided in the various operating division budgets of the department as pro-rata overhead charges. The division is not proposing an increase in the level of service currently authorized. The increase noted in salaries and wages is attributable to normal merit salary adjustments. The requested amounts for operating expense during the budget period is increased over the current year's estimate since funds are to be provided for moving the division and the amount for printing is increased.

State Office Building No. 1 is being remodeled at the present time to provide space for this division which will be more centrally located with respect to other departmental offices. The alterations are planned for completion in the budget year. Therefore, \$755 is being requested in order to make the move.

An additional \$2,200 is being requested in the printing category for the purpose of printing 44,000 record cards. The 1955-56 Budget provided a similar amount for this same purpose. However, the division does not anticipate expending these funds during the current year since the equipment record procedure is still under study. Representatives of the division have advised us that the \$2,200 requested may not be expended in the 1956-57 Fiscal Year if the study isn't completed. We question the advisability of budgeting \$2,200 for the printing of the cards on this basis. It would appear that the survey of the record system should be completed first so as to definitely determine what type of card is needed and the amount that is necessary. This information should be available in time to submit it with the 1957-58 budget request. *Based on the foregoing, we recommend that operating expenses be reduced by deleting \$2,200 from the printing schedule.*

The amount requested for equipment is somewhat less than the current fiscal year's estimate since only normal requirements are anticipated.

With the exception of the \$2,200 reduction referred to above, we recommend approval of the division's budget as submitted.

Major improvements made by the division in the current year include the following:

Division of Administration—Continued

(a) In July, 1955, all pay roll operations were centralized in Sacramento allowing the department to close two branch offices at a saving of \$11,699 in salaries and wages and \$1,055 in operating expenses.

(b) A new procedural manual is being prepared and the accounting and claims auditing procedures have been simplified.

Department of Natural Resources
EXHIBIT AT STATE FAIR AND EXPOSITION

ITEM 182 of the Budget Bill

Budget page 715
Budget line No. 23

FOR SUPPORT OF EXHIBIT AT STATE FAIR FROM THE FAIR AND EXPOSITION FUND

Amount budgeted -----	\$4,760
Estimated to be expended in 1955-56 Fiscal Year -----	3,400
<hr/>	
Increase (40.0 percent) -----	\$1,360

RECOMMENDATIONS

Amount budgeted -----	\$4,760
Legislative Auditor's recommendation -----	4,760
<hr/>	
Reduction -----	None

ANALYSIS

The cost of the exhibit for the Department of Natural Resources is shared by the special fund divisions of the department which propose to contribute \$2,240 in 1956-57, and the Fair and Exposition Fund, which will provide the balance. This project has cost approximately \$5,000 per year in the past. However, since the department has received a recommendation from the Division of Industrial Safety of the State Department of Industrial Relations that certain electrical code infractions be corrected, a \$2,000 request for rewiring the existing electrical facilities has been included, as a one-time expenditure. As a result of the foregoing, the total proposed for expenditure on the State Fair exhibit would be \$7,000 for 1956-57. It is our understanding that this exhibit is somewhat of an improvised display which has caused wiring to be added from time to time, making it unsafe. Therefore, it would appear to be advisable to make such corrections as are necessary at this time. Consequently, we recommend approval of this item as requested.

Department of Natural Resources
DIVISION OF BEACHES AND PARKS

ITEMS 183, 184 and 185 of the Budget Bill

Budget page 718
Budget line No. 11

FOR SUPPORT OF DIVISION OF BEACHES AND PARKS FROM THE STATE PARK, STATE PARK MAINTENANCE, AND STATE BEACH FUNDS

Amount requested -----	\$3,588,360
Estimated to be expended in 1955-56 Fiscal Year -----	3,186,555
<hr/>	
Increase (12.6 percent) -----	\$401,805

Division of Beaches and Parks—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$247,935	\$131,816	\$116,119	725 40
Operating expense -----	101,733	101,733	--	725 41
Equipment -----	5,237	5,237	--	725 42
Less : decreased reimbursements--	46,900	46,900	--	725 51
Total increase -----	\$401,805	\$285,686	\$116,119	725 53

RECOMMENDATIONS

Amount budgeted -----	\$3,588,360
Legislative Auditor's recommendation-----	3,565,578
Reduction -----	\$22,782

ANALYSIS

The Division of Beaches and Parks maintains and operates an extensive system of recreational facilities which includes parks, beaches and historical monuments for public use. The State Park Commission, composed of five members appointed by the Governor, serves as the policy-making body and administrative head of the division. The commission serves without compensation, with the exception of receiving actual expenses that are incurred in performing its duties. Since the close of World War II, the attendance at state park facilities has grown substantially. As an example, the total attendance in the year 1950 was 6,608,000, as compared to 11,130,000 in 1955, an increase of 4,522,000 or 68 percent in the relatively short period of five years. This has resulted in an expanded park maintenance staff and a program of acquisition of additional park areas which will eventually double the carrying capacity of the existing system.

The budget request for the 1956-57 Fiscal Year represents a \$401,805 increase over the current year's estimate of expenditures. This increase is, primarily, the result of the proposal to add 32 additional full-time positions plus 8.4 man years of seasonal help. The additional positions are being requested on the basis of the need to man new facilities, increased work load as a result of increased attendance, and additional administrative tasks. In addition to the foregoing example of increased attendance, it appears obvious that the Legislature plans to increase the state park system as expressed by the 1955 Session in passing bills which would have provided for the acquisition of 18 additional park areas. However, it will be recalled that these bills were "pocket" vetoed by the Governor which will necessarily defer the acquisition of the various properties. It appears likely that a large portion of these acquisitions and many others will be realized through future legislation.

The division is organized into four separate functional activities which will be discussed separately in the following text.

Administration

The administrative section provides the general administrative and operational supervision of the state beach and park system. This section of the budget provides for the expenses of the Park Commission and its aides, as well as divisional fiscal and personnel services, conservation education and the historical section.

Division of Beaches and Parks—Continued

A \$30,000 increase in salaries and wages is due to a request for six additional positions and normal merit salary adjustments. From the data presented to us, it appears that three of the positions, intermediate typist-clerks, are based on the need to handle existing and anticipated work load. However, we question the need to provide a concession manager-negotiator and a curator, grade II. The division is requesting the position of concession manager-negotiator in order to relieve the division chief of work load involved in negotiating concession and right of way agreements. Available information does not appear to justify the contention that the duties imposed by these agreements has increased to such an extent as to require the establishment of the new position. We understand that at the present time there are 85 revenue-producing agreements of various types. However, these agreements do not all expire at the same time and it would seem that the work load incident to them would be fairly evenly distributed throughout the year which should enable present personnel to handle it. In addition, it is our understanding that the management analysis section of the Department of Finance is making a survey covering the subject, in which this position would be evaluated. Therefore, we recommend that no new service of this type be provided in the budget year but be deferred to the general session for further consideration after the completion of the management study. *The deletion of this position would mean a reduction of \$6,360 for salaries and wages plus such operating expenses and equipment as had been scheduled for the position.*

The position of curator, grade II, and an intermediate stenographer-clerk are being requested by the division on the basis that the history section has not had time enough to make thorough reviews of various historical projects to allow authentic restoration of the facilities. It is our understanding that the existing position of historian was originally justified and subsequently authorized solely to handle this type of assignment. Therefore, since this appears to be an expansion of service beyond that currently authorized, *we recommend that the position of curator II and the related clerical help be disallowed at a savings of \$7,650 for salaries alone, plus operating expenses and equipment.* A \$26,000 increase in operating expenses is caused primarily by the fact that the division plans to move from its present quarters in the Education Building to remodeled space that will be available in State Office Building No. 1. This requires that provision be made for moving expense money and also an increase in rental charges since more area is planned for occupancy. The balance of the increase in operating expenses is caused by commodity price increases and the allowance for additional automobile operation and mileage for the concession manager-negotiator and the curator, grade II, positions mentioned above. If the foregoing recommendations are adopted, it would appear that these categories should be adjusted downward in accordance with the position deleted.

A \$12,000 increase in equipment is occasioned primarily by the additional positions requested above, and the need for miscellaneous items of additional equipment. With the exception of the foregoing reductions, we recommend approval of the administrative section's budget request as submitted.

**Division of Beaches and Parks—Continued
Maintenance and Operation**

The maintenance and operation section is responsible for the general operation and repair of the various beaches and parks in the six divisional regions. This activity anticipates a major increase in work load due to the marked increase in attendance which was previously mentioned. Also, it is planned to staff recently constructed or newly acquired park facilities such as Carrillo Beach, Caswell State Park, Fort Humboldt, Fremont Ford State Park, Manresa Beach, Stinson Beach, Weaverville Joss House, and the Pacific Monterey Building. The activation of these new facilities is the major cause of the increase of \$151,534 or 6.1 percent over the current year's estimate. This increase would provide 23 permanent new positions and 8.4 man years of seasonal help. With the staffing of these new facilities, operating expenses will have to be increased by \$37,100. However, this is partially offset by a decrease of \$11,273 in equipment. We feel that the foregoing increases are justified, being based on minimum initial staffing and work load. Therefore we recommend approval of the maintenance and operations budget as submitted.

Development Section

This section is responsible for surveying sites, preparing plans for construction projects not exceeding \$20,000 in cost for the development and maintenance of beaches, parks, historical monuments, and riding and hiking trails, inspecting construction, surveying property boundaries, preparing landscaping studies, and providing engineering surveys for projects to be constructed by the Department of Public Works. The proposed budget for this section indicates an increase of \$144,453 or 83.4 percent from \$173,197 estimated to be expended during the current fiscal year to \$317,650 proposed for the budget year. Eleven positions, which are found in the capital outlay budget for the present year performing development planning and survey work have been extended to the support budget of the proposed budget year and they account for an increase of approximately \$65,000 in salaries and wages.

These positions, presented as authorized for the budget year, in reality represent a new service in the support budget. Even though this service was provided as capital outlay for the current fiscal year, no specific time for the completion of the development planning project was allotted and, therefore, it appeared to be of a tentative nature. This development planning project will not be reflected in the budget year capital outlay program and having been transferred in toto to the support budget assumes more of a permanent nature than originally proposed. Although we are cognizant of the continuing need for development planning, its position in the support budget does, as previously noted, represent a new service.

The book transfer of these positions was made by the Department of Finance so that the development planning program could be more closely controlled and would permit of a greater ease of continuous evaluation. This is a point of view which appears to be without sufficient justification. This planning which is in addition to the regular operation of the division is understood to be a temporary augmentation with the need to be evaluated on a year-to-year basis. The require-

Division of Beaches and Parks—Continued

ment on which these positions were originally predicated for Fiscal Year 1955-56 still exists and will continue for some time, particularly since the agency has encountered difficulty in filling them; a factor which has somewhat delayed the program. Development planning has been estimated by the agency to be in arrears by approximately 10 years and this fact, coupled with the anticipated continuous expansion of the park system, precludes any definite estimate of the length of time to be allotted to these 11 positions.

Also, three new positions are requested, of which two engineering positions are based specifically on increased work load. The agency justifies the position of supervisor of development on the basis of improved supervision and increased work load. At the present time there is a management analysis survey in progress to determine the most effective placement of this position organizationally.

Since the management analysis survey has not been completed to the extent that an evaluation may be made of the need for the position based on the percentage of increased work load as compared to that percentage of the need based on improved service, and since a portion of the need is based on the latter factor, it is presumed that the position is not crucial to the operation and we therefore recommend deletion at this time subject to a subsequent appraisal of more concrete evidence of the need. *This deletion would result in a savings of \$8,112 in salary and \$660 in operating expenses for a total of \$8,772.*

The proposed operating expenses have approximately doubled those expected to be expended during the current fiscal year with the greatest increases noted in the in-state traveling, automobile operation and the mapping and surveying items. Similarly, the equipment expenditures proposed for the budget year amounting to \$6,019 have increased over 600 percent as compared with the estimated current year expenditures of \$922 with the major increases in the additional office equipment and automobile replacement items. These increases are attributed to the transfer of the entire development planning project from capital outlay to the support budget and represent the same level of activity.

Subject to the deletion of the proposed position of supervisor of development, we recommend approval of the budget for the development section.

Lands Section

The responsibilities of the lands section include the acquisition of areas for the park system and the acquisition of rights of way and easements for riding and hiking trails.

This section proposes an increase of \$36,230 or 23 percent, from \$154,623 estimated to be expended during the current year to \$190,853 proposed for the budget year. Of this total increase \$15,460 is attributable to increases in salaries. Two positions included in the proposed support budget were budgeted in capital outlay in the current year, and four positions which were provided in the current year by administrative action to prepare the master plan for park acquisition and development are also carried over to the budget year. The two positions transferred from capital outlay were performing development planning and survey work, and the conditions relative to these posi-

Division of Beaches and Parks—Continued

tions are similar to those presented for the 11 positions in the development section.

It is noted that the proposed operating expenses show an increase of \$435 or 1 percent reflected primarily in the in-state travel item. The equipment expenditures proposed for the budget year indicate a decrease of \$383 or 11.8 percent from the estimated current year expenditures.

The general trend of the Division of Beaches and Parks proposed expenditures shows a definite increase, with the agency's justification based on work load and operation of newly acquired facilities. The lands section supports this trend in the 12 percent proposed salary increase but, as noted, the operating and equipment expenditures for this section are practically the same as those estimated for the current year. Inasmuch as the major portion of the increase in the lands section is due primarily to the transfer in of two positions from capital outlay and represents a corresponding decrease in the capital outlay budget, we recommend approval of the lands section's budget as submitted.

Attention is directed to the over-all equipment requests. As in prior years we have been afforded the opportunity of scrutinizing and reviewing their original requests, prior to inclusion in the printed budget. In cooperation with the Department of Finance and the agency, we were instrumental in reducing the total request from \$246,155 to \$145,286—a reduction of \$100,869 or approximately 41 percent based on field checks and analysis of the items. The total equipment request for the 1956-57 Fiscal Year is very little more than the amount estimated to be expended for this purpose in the current fiscal year.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 186 of the Budget Bill

Budget page 727
Budget line No. 46

FOR SUPPORT OF DIVISION OF FORESTRY FROM THE GENERAL FUND

Amount requested	\$10,468,619
Estimated to be expended in 1955-56 Fiscal Year	9,874,390
Increase (6.0 percent)	\$594,229

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$186,376	\$136,605	\$49,771	740 50
Operating expense	184,220	173,281	10,939	740 53
Equipment	246,133	192,715	53,418	740 54
Less: increased reimbursements	—22,500	—20,520	—1,980	740 80
Total increase	\$594,229	\$482,081	\$112,148	740 82

RECOMMENDATIONS

Amount budgeted	\$10,468,619
Legislative Auditor's recommendation	10,356,471
Reduction	\$112,148

Division of Forestry—Continued
ANALYSIS

The California Division of Forestry is basically a protective or "policing" agency. Its primary objective is the prevention, detection, control, and suppression of wildfire in timber, range, and agricultural lands having a high economic state interest. In a subsidiary way, it functions as a regulatory and resources conservation organization. It attempts to regulate forest practices and logging procedures through rules and regulations developed by the forest practices committees. It also cooperates with small timber plot owners and range landowners to improve their lands and the returns from them. These activities are aimed at conserving natural resources, such as timber, grass, soil, and water. The division also undertakes certain disease and pest control programs in valuable timber stands, in cooperation with the Federal Government and individual landowners.

The Legislature, at its 1955 session, authorized the Division of Forestry to make minor expansions in its forces, particularly in San Diego County in order to provide more fire control and suppression control coverage in an area which is dry and has a high fire hazard during most of the year, and additional patrol and aerial personnel for the north coastal area to provide better coverage due to the increased logging activities. In addition, the Division of Forestry was authorized to expand its forestry honor camps by adding two in the southern part of the State and one in the north in Shasta County. These camps, when complete, will make available 240 additional inmates for various work projects such as forest cleanup, road work, and secondary attack fire suppression. The two camps in the southern part of the State will be fully operable for the entire 1956-57 Fiscal Year and the one in the north will go into operation in January of 1957. Also, the honor camp in the new Calaveras South Grove was authorized to be expanded to provide for larger inmate work crews in order to reduce the high fire hazards which now exist in the area. A new camp is in process of establishment in Humboldt County which will provide inmate work crews to do certain cleanup projects for the Division of Beaches and Parks, as well as general work for the Division of Forestry. In the administrative section, the division was authorized to add one forest ranger, Grade I, to act as liaison officer between the Division of Forestry and the United States Forest Service, which protects large acreages of state-responsibility land under contract between the State and Federal Governments. The Legislature also authorized the division to improve its roster of equipment by over \$100,000 worth of additional items of various kinds. Insofar as fixed plant was concerned, the division was authorized to replace certain substandard existing facilities and to repair others to the extent of approximately \$300,000, exclusive of the two new forestry honor camps for which somewhat over a million dollars was provided.

It may be seen from the foregoing that the Division of Forestry received substantial assistance in expanding its plant and operations for the current fiscal year. Some of this assistance has as yet not begun to bear fruit and will not show results until the following fiscal year. During the latter part of the 1954-55 Fiscal Year and the beginning

Division of Forestry—Continued

of the current fiscal year, the division experienced an unusually rigorous fire season, particularly from the standpoint of the size of timber fires and the total number of acres burned. From January 1 to November 30, 1955, the total incidence was 1,976 fires, which was actually the lowest number for this 11-month period in the past five years. However, during this period over 64,000 acres of timber were burned, which was somewhat less than twice as much as the 38,000 acres burned in 1950, the next highest for a six-year period, and compared with a low of 3,062 acres in 1953 for a similar 11-month period. Unfortunately, much of this timber acreage was of extremely high value, so that it has been estimated that the total damage for the 11-month period was approximately \$2,500,000, as compared with \$316,000 in 1950 and \$80,000 in 1953. Concurrently, the value of improvements in the timber areas which were destroyed by the fire was considerably higher than previous years.

It should be pointed out that much of the area that was devastated by large fires during this period was under federal control, although such acreages are not included in the figures mentioned above. During the 11-month period the Division of Forestry, which has been provided with an emergency fire suppression fund of \$320,000 annually for the past four or five years, found it necessary to exceed this amount to the extent of \$280,000 provided from the General Emergency Fund under the control of the Department of Finance. We believe that it should be emphasized that fires of the magnitude of those that occurred during this period are not generally a yearly occurrence. They tend, instead, to be cyclic, depending upon the right combination of weather conditions and time of year. Therefore, we feel that despite the bad experience during 1955 the Division of Forestry is still adequately staffed and equipped to handle average yearly fire conditions.

For the 1956-57 Fiscal Year the Division of Forestry is proposing to expand its operations to the extent of five additional regular positions and 241 man-months of seasonal positions. The cost of these positions plus operating expenses and additional and replacement equipment is estimated to increase by \$594,229 or approximately 6 percent from \$9,874,390 estimated to be expended during the current fiscal year, to \$10,468,619 in the 1956-57 Fiscal Year. Of the total increase, salaries and wages for the additional positions, plus the merit salary adjustments for existing authorized positions, represents approximately 30 percent. Operating expenses represent approximately another 30 percent of the total increase, partly for general price increases, partly for servicing additional positions, but primarily for the steadily increasing cost of maintaining the division's plant and facilities. Since the close of World War II, the division has followed a program of expanding its fire suppression stations and replacing substandard or "rag camp" facilities with good quality permanent construction. Inevitably, facilities of this type will require more maintenance than the so-called "rag camp" facilities. In addition, its equipment roster has been increasing steadily, particularly in such categories as fire trucks, crew trucks, patrol vehicles, bulldozers and transports, specialized fire-fighting equipment such as portable power pumps and other types of portable equipment, radio equipment in most of its vehicles, and numerous other

Division of Forestry—Continued

types of equipment necessary to operate a modern fire-fighting system. Maintenance of such equipment is costly and gets progressively more so as the average age of the equipment increases. It might also be pointed out that the tremendous volume of the equipment is causing a serious problem in property records and accounting.

Finally, about 40 percent of the total increase is in the equipment category, primarily for the replacement of all types of automotive units. As an interesting comparison, the expenditures for equipment for the current fiscal year are estimated at \$458,972, whereas for the 1956-57 Fiscal Year they are proposed at \$705,106. This is an increase of \$246,133, or almost 54 percent. Primarily, this greatly increased expenditure is for the replacement of automotive units which tends to occur on a somewhat cyclic basis and reflects the years in which the heaviest expansion took place, since most of the automotive equipment is replaced on a 10-year basis. Some of the additional equipment expenditures are, of course, attributable to the new positions and the proposal to take over under state fire control certain areas in the Calaveras National Forest, which are now being protected by the U. S. Forest Service on a contract basis.

For a number of years the Legislative Auditor's office has participated in joint conferences among the agencies and the Department of Finance in which equipment requests were closely screened prior to inclusion in the budget. In the case of the request made by the Division of Forestry for the 1956-57 Fiscal Year, the screening has resulted in reducing the equipment schedule from \$820,035 to \$705,106—a reduction of \$114,829, or 14 percent.

The following analysis discusses the budget of the Division of Forestry on a functional basis.

Administration

The administrative section of the Division of Forestry, which includes the state forester and his immediate assistants, provides a top-level direction and supervision for the technical field work of the total organization, as well as regular business and housekeeping activities. The general level of service is proposed to be continued at about the same as was authorized by the 1955 Legislature. The cost, however, is expected to increase by approximately \$38,000, or 5.7 percent. Since the cost of salaries and wages remain approximately the same, the over-all increase is attributable primarily to operating expenses and equipment. As previously mentioned, the radio equipment roster has been increasing steadily and, consequently, the cost of maintaining this equipment has kept pace. For administrative purposes, the cost of the entire radio maintenance is charged to the administrative function, rather than being broken up among all of the sub-functions of the total organization. Generally, all other operating expenses remain fairly static. However, we would like to point out that there is included in both operating expenses and equipment a new service in the form of \$2,500 in operating expenses for experimental projects and \$10,000 in fire research, additional equipment, making a total of \$12,500 for additional research. We call attention to the fact that a similar request was deleted by the Department of Finance prior to the submission of the 1955-56 Budget to the Legislature and, consequently, such a pro-

Division of Forestry—Continued

gram was not included at that time. In view of the fact that it has been the general policy of the Legislature not to establish new services in a budget year but consider them in a General Session year, we feel that this research program should be eliminated and brought up for consideration at the 1957 session. *This would result in a reduction of \$12,500 in the administrative function.*

It is interesting to note that of the total expenditures made by the Division of Forestry, exclusive of retirement payments, the cost of administrative and staff activities represents 3.6 percent, which appears to be a reasonable charge for overhead direction.

We recommend approval of the balance of the budget for this activity.

Fire Prevention Education

This section of the division undertakes an educational program of fire prevention and resource conservation through the use of various media such as radio and TV screening of special motion pictures and announcements, the exhibition of motion pictures in theaters, posters placed in strategic places throughout the State, a great deal of printed literature which is supplied to the public schools, et cetera. In addition, the members of the staff make many appearances at various organizational meetings throughout the State where talks are given on pertinent subjects often accompanied by motion pictures or slides. The staff consists of three technical positions and three clerical. The cost of this program for the 1956-57 Fiscal Year is proposed to be reduced by \$3,815 or approximately 4.5 percent from \$83,642 estimated to be expended in the current fiscal year to \$79,827. Primarily, the reduction is the result of anticipating that fewer additional movie films will be purchased. We believe that education is an important aspect of the problem of fire control and prevention in California. The level of service provided by this activity appears to be adequate to do the job. Consequently, we recommend approval of this portion of the budget as submitted.

District Headquarters

The nature of the emergency services of the Division of Forestry makes it imperative that supervisory people in the field have a fairly wide latitude of authority in order to be able to make decisions under emergency conditions. In recognition of this need, the Division of Forestry has been divided into six operational regions along natural geographic lines, with each region having a headquarters setup which is similar, in miniature, to the divisional headquarters organization in Sacramento. A deputy state forester is in charge of each region with fairly broad powers for decision and action. This type of organizational structure, in our opinion, has been outstandingly successful in this agency. Our checks in the field at many of the suppression stations, as well as district headquarters, indicate quite clearly to us that this division pays a great deal of attention to the elimination of waste and the elimination of unnecessary functions. The widest possible use is made of the vast manpower pool under control of this division to accomplish objectives which might otherwise require outside contract assistance.

Division of Forestry—Continued

The district headquarters function for the 1956-57 Fiscal Year is proposed to be increased in cost by approximately \$11,000 or about 1.5 percent from \$758,276 estimated to be expended in the current fiscal year, to \$769,540. With one exception, the level of service proposed is essentially the same as was authorized by the Legislature in 1955. This exception involves the establishment of one forest ranger, grade I, position to act as a coordinator of the honor camp program in District VI with headquarters at Riverside. This district will have, eventually, six such camps housing altogether over 400 Department of Corrections inmates. No other district has more than two camps. While six camps may appear to be a fairly large operation, we would like to point out that essentially the operation of these camps, insofar as the inmate work projects are concerned, is comparatively simple, and it would appear to us that the need for a coordinator, as additional overhead, is not clearly demonstrated. There are ample personnel in district headquarters, otherwise, that can be employed to provide some general supervision and direction of the activities of these camps. In any case, this position would constitute a totally new service and, as such, in our opinion should be deferred for consideration by the 1957 General Session. *Consequently, we recommend elimination of this position at a savings of \$6,568 in salaries and wages, plus such other operating expenses and equipment as are scheduled to go with the position.* With this exception, we recommend that the balance of the budget of this activity be approved as submitted.

Field Services

The backbone of the organization of the Division of Forestry, which performs its most essential function, that of detecting, controlling and suppressing wildfire, and also the important function of preventing the incidence and spread of wildfire by regulating commercial practices and agricultural practices and by eliminating obvious fire hazards, is contained within the so-called field services function. This function, while shown in the budget as a single one for the entire division, is actually broken into six units, each part of the six districts previously mentioned. Under conditions of shifting stress and excess hazard, there is a free interchange of fire suppression personnel and equipment among the districts, generally under the control and authorization of divisional headquarters in Sacramento. This free and simplified interchange is, in our opinion, very desirable. The delegation of authority to make decisions and take action down to the districts and from them to county headquarters and individual fire suppression stations is unquestionably a major factor in keeping down the size of individual fires in this State by enabling fast, decisive attack when fires occur. Since this represents the major activity of the division, it accounts for over 60 percent of the total expenditures made.

The total field force is proposed to be expanded by 80 man-months for the summer suppression crews and 70 man-months for the winter work crews, a total of 150 man-months. The cost of these services, including all categories of expenditure, is estimated to be increased by \$323,661, or approximately 5 percent from \$6,486,028 estimated to be expended in the current fiscal year to \$6,809,689 in the 1956-57 Fiscal

Division of Forestry—Continued

Year. About 25 percent of the increase is applicable to salaries and wages for the additional positions, as well as normal merit salary adjustments for the existing authorized positions. Approximately 6 percent of the increase is in operating expenses primarily in the category of maintenance of structures, grounds and other facilities brought about by the growing number of structures which the Legislature has been providing the division, as previously mentioned. Finally, about 70 percent is attributable to increased equipment purchases primarily in the category of replacement of automotive equipment necessary to keep the essential fire fighting tools in an up-to-date and effective condition.

However, it should be pointed out that included in the above increase are two factors which we believe represent essentially an increase in the level of service rather than normal work load. During the 1955 Session the Legislature was asked to consider permitting the Division of Forestry to take back from contract protection by the U. S. Forest Service a certain portion of the Calaveras National Forest area which the Division of Forestry considered to be of such nature that it should be protected by it rather than by the U. S. Forest Service. At that time the net cost of this change to the State would have been about \$87,000 annually. At this time the division is making the same request of the Legislature although a resurvey of the area has resulted in certain downward estimates of cost so that the present net cost to the State is anticipated to be approximately \$51,000 annually, including recent salary increases and price increases allowed the U. S. Forest Service. At least it may be said that by waiting a year the State has saved an appreciable sum of money. Without entering into the merits of the change in jurisdiction of this particular forest area, we would like to point out that it represents a distinct change in the level of service which was specifically denied by the last general session of the Legislature and should, therefore, not be proposed until the next general session in 1957. *Consequently, we recommend that this transfer be disallowed at a savings of \$33,328 in salaries and wages, \$8,439 in operating expenses, \$43,418 in equipment, and an upward adjustment in reimbursements of \$1,980, making a net total savings of \$83,205.*

The second factor mentioned above is the desire of the division to add 25 man-months of equipment-operator time during the winter season in order to provide coverage of one operator for each tractor and transport unit. Normally, the winter season is used for construction, clearance and maintenance work and large tractors and transports are required infrequently for fire purposes. In our opinion these additional man-months are not essential to winter operation and constitute a raising of the level of service, which should not properly be requested at a budget session of the Legislature. We recommend, therefore, that these additional positions be disallowed and that the request be referred to the 1957 Session of the Legislature. *The savings as a result of this recommendation would be approximately \$9,875 in salaries and wages, plus operating expenses.*

Exclusive of the foregoing exceptions, we recommend approval of the balance of the budget for this activity as requested.

Division of Forestry—Continued

Forestry Honor Camps

For the benefit of the rehabilitation programs of the California Department of Corrections and the Youth Authority, the State Division of Forestry operates a number of permanent camps and several temporary or "spike" camps to house inmates from both agencies. At the present time there are 10 permanent honor camps for CDC inmates, with two additional ones expected to become effective at the beginning of the Fiscal Year 1956-57 which were provided for in the 1955 Budget Act, and one "spike" camp. It is anticipated that this group of camps will house approximately 771 inmates. For the Youth Authority there are three permanent camps and three "spike" camps housing a total of approximately 265 wards (individuals). This labor pool of over 1,000 is used extensively in fire hazard clearance projects, maintenance of rights of way and telephone and power lines, the production of certain forest products that are used by the division in its construction work, construction of roads and fire trails, the operation of branch tree nurseries, and numerous minor activities. Two task forces of these inmates are presently engaged in cleaning up serious fire hazards in areas owned and controlled by the State Division of Beaches and Parks, notably the new South Calaveras Grove and in the redwood parks on the north coast. The cost of this work is reimbursed by the Division of Beaches and Parks. The program for the inmates also provides extensive recreational opportunities, hobby and handicraft facilities, social counseling and entertainment. There is little doubt in the minds of most people connected with this program that it represents an excellent rehabilitation therapy for certain types of individuals. The cost of the entire program is borne jointly by the Division of Forestry and the two correctional agencies in proportion to the benefits derived by each agency.

The expansion of the program by the addition of the two camps which will become operative on July 1, 1956, and one which will become operative on January 1, 1957, makes necessary additional personnel and additional expenses. Consequently, the division proposes that for the 1956-57 Fiscal Year the cost of this operation be increased by \$199,475, or approximately 14 percent, from \$1,416,570 estimated to be expended in the current fiscal year, to \$1,616,045 in the 1956-57 Fiscal Year. Somewhat less than a third of this total increase occurs in salaries and wages to provide for two additional permanent work project supervisors and 91 man-months of seasonal work project foremen and equipment operators, plus normal merit salary adjustments in the existing authorized positions. The balance of the increase is primarily in operating expenses, particularly in the cost of payments to inmate work crews. There is a nominal increase in the cost of purchasing equipment primarily as the result of the need to replace more automotive units than was necessary in the current fiscal year. This program provides a vitally important secondary striking force in the important fire suppression activities of the division. As such, every possible advantage should be taken of the availability of these men. Actual experience has indicated that on the whole they make superior fire fighters. In view of the foregoing, we recommend that the budget for this activity be approved as submitted.

Division of Forestry—Continued

Forest Management

The "policing" activities of the Division of Forestry are primarily centered in the forest management section. Here are administered the Forest Practices Act and various regulations with respect to the encouragement of practices in forest industries, which will result in the sustained productivity of the State's forest lands, the reduction of fire hazards, the prevention of the loss of topsoil, and protection of watershed and water runoff. A second important function of this section involves advisory service to owners of small timber plots and the management of the several state-owned forests as demonstration operations for the sustained yield philosophy.

The division proposes to expand the activities of this section by the addition of two assistant forest technician positions and by the conversion of 24 man-months of seasonal and temporary help to two permanent assistant forest technicians, which would raise their presently authorized staff from two to four and, with the two additional ones requested, would make a total of six. The conversion of temporary help to permanent help appears to be justified on the basis that present temporary help is being, in effect, worked out of classification because of the demands of the management problems in the Jackson State Forest and the La Tour State Forest.

However, with respect to the two additional technician positions, the need is based on the fact that the demands of the state forests in making ready for timber sales consume all the time of the existing positions and allow no time for the basic purpose for which the forests were acquired. This purpose is primarily the demonstration, to the private forest industry, of good management and conservation practices. As a consequence, it is felt that the Division of Forestry is not fulfilling its responsibility in this respect. Since the forests were acquired principally as demonstration devices, it would appear that the inability to carry out this purpose because of the demands of other necessary work would constitute a legitimate work load increase. Therefore, we believe that there is justification for the additional positions. The cost of the expanded activity would increase by \$24,665, or approximately 9 percent, from \$271,895 estimated to be expended in the current fiscal year, to \$296,560 in the 1956-57 Fiscal Year.

In view of the foregoing, we recommend approval of the budget for this activity as submitted.

Range Improvement

One of the comparatively minor activities of the Division of Forestry involves experimentation and study in the problems related to improvement of range lands. Some of the work is carried out on state-owned lands and an appreciable amount is carried out in connection with cooperative programs between the State and private landowners. In addition, there are provided six special fire suppression crews which act in a standby capacity to prevent the escape of "controlled burn" fires which are undertaken in connection with the improvement of range land. These various activities take place within the unit designated as the range improvement section.

Division of Forestry—Continued

The Division of Forestry proposes to hold this section at the same level of activity in the 1956-57 Fiscal Year as was authorized for the current fiscal year. The cost is estimated to increase only slightly by \$2,771, or approximately 2 percent, from \$125,192 estimated to be expended in the current fiscal year to \$127,963 for the new budget year. This increase is divided about equally between merit salary adjustments and the need for certain pieces of additional and replacement equipment.

We recognize the activities of this section as being essential to the economic well-being of the State's important range lands. The level of activity appears to be commensurate with the need and, consequently, we recommend approval of the budget for this section as submitted.

State Nursery

One of the important minor functions of the Division of Forestry is the reforestation of burned-over or otherwise devastated areas which are suitable for growing timber crops. In order to provide its own supply of young trees for this purpose, the division maintains a full-scale nursery adjacent to its corporation yard near Davis, and three branch nurseries located at three of the honor camps, which are maintained by camp inmates. The division also makes available its nursery surpluses to the general public, at reasonable cost, to be used for windbreaks, private reforestation, et cetera. The division does not grow ornamental species, and, hence, does not compete with the average private nursery in this respect.

The Legislature, at its 1955 session, authorized a substantial expansion in the nursery operation by the establishment of two additional positions of assistant forest technician to be used in the branch nurseries, thereby bringing the total available staff to three positions so that one technician could be assigned to each branch nursery to oversee the general operations as well as supervise reforestation work. These additional positions, plus necessary equipment and operating expenses, increased the total cost of the nursery operation by approximately 50 percent over the prior year of 1954-55. It was anticipated that this expansion would permit the production of substantially more trees and, in view of the high timber losses due to the fires in 1955, the additional production will be needed.

For the 1956-57 Fiscal Year it is proposed to maintain the operations of the nursery at the same level as was authorized for the current year. There is a slight reduction of \$1,943, or approximately 2.9 percent, from \$66,360 estimated to be expended during the current fiscal year to \$64,417 for the 1956-57 Fiscal Year. The sale of nursery products during the budget year is estimated to bring in revenues of somewhat over \$24,000, which will go into the General Fund. It is our understanding that the prices charged for nursery stock are commensurate with the actual cost of producing such stock. In view of the foregoing, we recommend approval of the nursery budget as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 187 of the Budget Bill

Budget page 728
 Budget line No. 8

FOR SUPPORT OF DIRECT ALLOTMENT TO COUNTIES FOR COOPERATIVE WATERSHED PROTECTION FROM THE GENERAL FUND

Amount requested -----	\$915,297
Estimated to be expended in 1955-56 Fiscal Year -----	885,879
Increase (3.3 percent) -----	\$29,418

RECOMMENDATIONS

Amount budgeted -----	\$915,297
Legislative Auditor's recommendation -----	915,297
Reduction -----	None

ANALYSIS

The Counties of Contra Costa, Kern, Los Angeles, Marin, San Mateo, Santa Barbara, and Ventura maintain their own forest fire protection and control systems. In each of these counties there are certain areas which are deemed to be the State's responsibility insofar as fire protection is concerned. To avoid duplicate organizations in each of these counties, the State contracts with them to provide the necessary protection on the state responsibility lands. The degree of protection afforded by these counties is reasonably parallel to that provided by the State Division of Forestry in other areas.

The Legislature, at the 1955 session, authorized the expansion of protection on the state responsibility lands in four of the counties, due to the increased level of fire hazards which have been building up over the last several years. Los Angeles County payments were increased by 19 percent, Marin County by 30 percent, and Santa Barbara and Ventura Counties by 27 percent each. In the over-all, this increased the cost to the State by approximately \$110,000 annually. While the Division of Forestry proposes to continue to contract for the same level of service in the 1956-57 Fiscal Year as was authorized for the current fiscal year, the cost of this service is expected to increase somewhat due to salary increases that were granted by the several counties to their fire-fighting employees and to general increases in prices of goods and services required by these counties in connection with this particular activity. This increase is expected to be \$29,418 or approximately 3.3 percent from \$885,879 estimated to be expended in the current fiscal year to \$915,297 for the budget year.

Since it would unquestionably be more costly for the State to establish in each of these counties its own fire-fighting service than the cost of participating in the county service, and since the level of service is proposed to be continued the same as authorized by the last general session of the Legislature, we recommend approval of the item as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 188 of the Budget Bill

Budget page 728
 Budget line No. 11

FOR SUPPORT OF ALLOTMENTS TO U. S. FOREST SERVICE FOR PROTECTION OF PRIVATE LANDS WITHIN AND ADJACENT TO NATIONAL FORESTS, FROM THE GENERAL FUND

Amount requested	\$781,540
Estimated to be expended in 1955-56 Fiscal Year.....	771,376
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Increase (1.3 percent)	\$10,164

RECOMMENDATIONS

Amount budgeted	\$781,540
Legislative Auditor's recommendation.....	813,677
<hr/>	
Increase	\$32,137

ANALYSIS

In many parts of the State of California there are numerous parcels of land privately owned which are either contiguous to national forest areas or completely surrounded by them. In order to avoid the difficult and "patchy" type of organization that would result if the State were to attempt to protect these areas, the United States Forest Service protects them, along with its own land, on a contract basis with the State. A fixed formula is used against known and specified acreages. The formula takes into account offsetting charges made by the State for protecting small parcels of U. S. Forest Service area where protection is more simple and practical by State than by the Forest Service, principally due to topographical difficulties. Generally speaking, the land involved in these contracts lies at the higher elevations in areas in which the State would not generally maintain forces.

For some years the cost of this contract service has remained at the same level, approximately \$771,376 annually. It is now proposed to increase the payments for this service by what appears to be a comparatively small amount, \$10,164 or 1.3 percent. This would increase the total payments to \$781,540. Primarily the increase is due to the salary increases which have been granted by the Federal Government to the U. S. Forest Service employees, plus increases in the prices of other goods and services involved. However, we should point out that while the increase appears to be small, on a comparative basis it is actually several times larger because of the fact that the program of the Division of Forestry includes removing from federal protection a portion of the Calaveras National Forest and placing it under state direct protection. The amount deducted from the contract for this decrease in acreage is \$32,137. In this connection refer to our analysis of the field services portion of the support budget of the State Division of Forestry wherein this problem is discussed and wherein we recommend that this area continue to be protected by the U. S. Forest Service at least until the next general session in 1957 when the subject can more properly be considered. In view of our recommendation it would be necessary to increase the payments to the forest service by the amount mentioned above, which would make a total *contract payment to the Federal Government of \$813,677*. This still will result in a net savings to the State of over \$51,000.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 189 of the Budget Bill

Budget page 728
Budget line No. 14

FOR SUPPORT OF WATERSHED RESEARCH IN COOPERATION WITH CALIFORNIA FOREST AND RANGE EXPERIMENT STATION OF THE U. S. DEPARTMENT OF AGRICULTURE FROM THE GENERAL FUND

Amount requested	\$24,000
Estimated to be expended in 1955-56 Fiscal Year.....	24,000
Increase	None

RECOMMENDATIONS

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

ANALYSIS

This item represents the continuation of a long-range research program which was originally initiated by Chapter 1415 of the Statutes of 1947. All of the research work is actually carried out by the Federal Government at the California Forest and Range Experiment Station maintained by the United States Department of Agriculture.

Research in watershed management, particularly in Southern California, is becoming increasingly more vital to the proper control of water runoff in the comparatively arid southern portion of the State. Since this item represents a continuation of the same level of activity that was authorized by the Legislature in 1955, we recommend approval of this item as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 190 of the Budget Bill

Budget page 728
Budget line No. 16

FOR SUPPORT OF WHITE PINE BLISTER RUST CONTROL PROTECTION IN COOPERATION WITH U. S. DEPARTMENT OF AGRICULTURE FROM THE GENERAL FUND

Amount requested	\$125,000
Estimated to be expended in 1955-56 Fiscal Year.....	125,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$125,000
Legislative Auditor's recommendation.....	125,000
Reduction	None

ANALYSIS

The State of California has an important economic interest in its valuable sugar pine resource. The white pine blister rust disease still exists in sufficient magnitude, in many areas, to completely justify continued efforts at control of the disease. The costs of the control measures are shared with the United States Department of Agriculture on a matching basis,

Division of Forestry—Continued

For a number of years the State's share of the costs averaged \$168,000 annually, but since the 1954-55 Fiscal Year it has been reduced to \$125,000, which is the level of expenditure proposed for the 1956-57 Fiscal Year. We believe that this activity is extremely important to the State's forest economy. Consequently, we recommend approval of this item as submitted.

Department of Natural Resources

DIVISION OF FORESTRY

ITEM 191 of the Budget Bill

Budget page 728
Budget line No. 18

FOR SUPPORT OF EMERGENCY FIRE SUPPRESSION AND DETECTION FROM THE GENERAL FUND

Amount requested	\$320,000
Estimated to be expended in 1955-56 Fiscal Year.....	600,000
Decrease	<u>\$280,000</u>

RECOMMENDATIONS

Amount budgeted	\$320,000
Legislative Auditor's recommendation.....	<u>320,000</u>
Reduction	None

ANALYSIS

Periodically, the State experiences wildfires of such magnitude that the Division of Forestry cannot contain or suppress them either with the immediately available local divisional forces and equipment or with divisional forces and equipment which can be moved in from other areas. It then becomes necessary to rent other equipment from private sources, hire pickup fire-fighter labor, and provide various supplies. The budget of the division is normally not geared to permit such expenditures. Consequently, it has been the policy for many years to provide a so-called emergency fund which is used only when the State Forester declares that a state of fire emergency exists. If none of the money is so required it cannot be used for any other purpose and it normally reverts at the end of the fiscal year.

For a period of years the demands on this emergency fund averaged about \$250,000 annually. However, during the 1955 calendar year the State experienced some unusually severe timber fires which were of such magnitude and scope that the emergency fund of \$320,000 which was provided by the Legislature at its 1955 Session was insufficient. Consequently, the division requested and received an additional \$280,000 from the Department of Finance Emergency Fund. This made a total estimated expenditure for the current fiscal year of \$600,000. For the 1956-57 Fiscal Year it is proposed to establish again the same level as in immediately preceding years, \$320,000. We believe that such a fund is essential to the proper, efficient and prompt attack on fires as they occur. Consequently, we recommend approval of this item as submitted.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 192 of the Budget Bill

Budget page 728
Budget line No. 27

FOR SUPPORT OF FOREST INSECT CONTROL FROM THE GENERAL FUND

Amount requested	\$35,000
Estimated to be expended in 1955-56 Fiscal Year	35,000
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Increase	None

RECOMMENDATIONS

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

ANALYSIS

In order to control forest insect infestations, particularly pine beetles, it is necessary that a concerted effort be made, on a scientific basis rather than a piecemeal one. Such an effort is not possible by individual landowners. Consequently, the Division of Forestry undertakes suppressive measures on privately owned lands on a matching basis wherein the landowner provides either labor or cash. The division, of course, also undertakes suppressive measures on state-owned forest lands. This work has been maintained at about the same level for a number of years.

For the 1956-57 Fiscal Year it is proposed to continue the insect control service at the same level as authorized by the 1955 Legislature. Consequently, we recommend approval of the item as submitted.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 193 of the Budget Bill

Budget page 728
Budget line No. 32

FOR SUPPORT OF WILD LAND VEGETATION AND SOIL MAPPING PROJECT FROM THE GENERAL FUND

Amount requested	\$92,741
Estimated to be expended in 1955-56 Fiscal Year	86,821
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Increase (6.8 percent)	\$5,920

RECOMMENDATIONS

Amount budgeted	\$92,741
Legislative Auditor's recommendation	92,741
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Reduction	None

ANALYSIS

At the general session in 1953 the Legislature recognized the need for the mapping of the soil types and the vegetative covers on the wild land areas of the State by enacting Chapter 1875, which initiated a program wherein the work is performed by the University of California and by the United States Department of Agriculture at its California forest and range experiment station. When the program was presented, it was projected to require 10 years to complete. It was assumed that each of the 10 years would be at about the same level of activity.

Division of Forestry—Continued

However, while the same level of activity is retained, the cost of the work has gone up due to salary increases granted to federal employees and to the increased cost of goods and services required in the project. Actually, the 1955 appropriation was \$86,821, but adjustments had to be made because of salary changes which brought this figure to \$92,275 for the current fiscal year. For the 1956-57 Fiscal Year the cost will increase slightly again to \$92,741. We believe that the program represents important economic aspects in the future of California range and forest lands. Consequently, it would appear that this service should continue to its completion. Therefore, we recommend approval of the item as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 194 of the Budget Bill

Budget page 728
Budget line No. 42

FOR SUPPORT OF FIRE WEATHER INDEX FROM THE GENERAL FUND

Amount requested	\$10,000
Estimated to be expended in 1955-56 Fiscal Year	10,000
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Increase	None

RECOMMENDATIONS

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

ANALYSIS

In 1955 the United States Weather Bureau, because of reductions in its budget, was forced to curtail the issuance of certain daily data which was vital in predicting the potential fire weather conditions for each day. The Legislature, at its session in 1955, recognized the importance of this service by authorizing the State Division of Forestry to spend \$10,000, which is transferred to the United States Weather Bureau, in order to continue receiving this service. For the 1956-57 Fiscal Year it is proposed to continue at the same level of \$10,000. Data necessary to the prediction of daily weather fire conditions is unquestionably one of the most vital tools in the operation of the State Division of Forestry. Consequently, we believe it is essential that this item be approved as presented.

Department of Natural Resources
DIVISION OF MINES

ITEM 195 of the Budget Bill

Budget page 743
Budget line No. 7

FOR SUPPORT OF DIVISION OF MINES FROM THE GENERAL FUND

Amount requested	\$483,553
Estimated to be expended in 1955-56 Fiscal Year	468,020
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Increase (3.31 percent)	\$15,533

Division of Mines—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$7,798	\$7,798	--	744 14
Operating expense-----	14,951	4,951	\$10,000	744 41
Equipment-----	9,284	9,284	--	744 56
Less: increased reimbursements--	—16,500	—16,500	--	744 61
Total increase-----	\$15,533	\$5,533	\$10,000	744 63

RECOMMENDATIONS

Amount budgeted-----	\$483,553
Legislative Auditor's recommendation-----	473,553
Reduction-----	\$10,000

ANALYSIS

The Division of Mines of the Department of Natural Resources has, from its inception, been primarily a technical service agency having few regulatory responsibilities and powers. Its major mission is the encouragement of the expansion and economic well-being of the mining industry and assistance to those industries having uses for mineral raw materials by providing technological information obtained from geological and mineralogical surveys of the State, as well as laboratory survey and exploration.

Its services are rendered primarily through the medium of publications such as books, bulletins, pamphlets, maps, et cetera, which are sold to interested parties and to the general public at actual cost of production. Distribution is also made at no charge to libraries all over the Country on an exchange basis. Another limited service which the division performs is the laboratory identification of mineral specimens submitted by the general public. These identifications are qualitative only and quantitative work is referred to private commercial laboratories. No charge is made to the public for this identification service. The division also maintains specialized libraries at its headquarters in San Francisco and Los Angeles which are open to the general public.

The scope of the activities of this division has always been and is under the control of the Legislature through the budgeting and appropriation procedure. At the 1955 Session the Legislature authorized a continuation of the then existing level of service. No additional positions were allowed and its budget for the printing of periodicals and other publications was set at \$60,000 for the year. The budget proposed by the division for the 1956-57 Fiscal Year appears to be a continuation of the same level of service that was authorized by the 1955 Legislature. The cost of the services is estimated to be increased by \$15,533, or approximately 3.3 percent, from \$468,020 estimated to be expended during the current fiscal year to \$483,553 in the 1956-57 Fiscal Year.

However, it should be pointed out that this apparently small increase in cost is somewhat misleading. Actually, the cost of operation is increased by approximately \$32,000, or about 6.8 percent, over the current fiscal year. The difference between the two figures is brought about by the fact that for the first time, starting with January 1, 1957, the division will charge an annual subscription fee of \$1 for its monthly

Division of Mines—Continued

publication "Mineral Information Service" which heretofore had been mailed free of charge, each month, to a list of over 30,000 organizations or individuals. It is anticipated that this yearly subscription will bring in about \$16,500, at least for the first year. This income, instead of being deposited directly into the General Fund, is shown in the budget as a reimbursement and, hence, reduces the over-all amount of the budget by \$16,500, which leads to the apparent lesser figure first mentioned. We take this opportunity to point out that our office has repeatedly recommended that charges be made for the division's service wherever possible, and particularly that the cost of publications be recovered by prices charged or by subscriptions to the fullest possible extent.

The over-all increase is occasioned by three main factors. The division is proposing the establishment of an additional position of junior mining geologist at \$4,860 per year. This position is based on an increasing work load in the laboratory, particularly in connection with the free mineral identification service mentioned above. The current high interest in uranium is probably one of the major factors in the increased number of samples being submitted to the laboratory. Since there is no way to control the incoming volume of mineral samples submitted by the public, except possibly by the levying of a small charge for the service, it would appear that the laboratory work load would justify the additional position. Consequently, we recommend approval as requested.

The second major factor causing the increase is the division's request that its printing budget be increased from \$63,200, which is estimated to be expended in the current fiscal year, to \$74,000. We point out again, as we have above, that the Legislature set \$60,000 as the level of service in the printing of bulletins and maps at the 1955 Session. We do not consider that the printing of bulletins and maps constitutes an uncontrollable work load such as would be the case in the incoming samples of minerals. Hence, it is our view that the Legislature set a level which should not be changed during the budget year. We concede that the increase from \$60,000 to \$63,200 was occasioned primarily by increased costs and, consequently, we would recommend that for the 1956-57 Fiscal Year the amount be set at \$64,000. *This represents a reduction and savings of \$10,000 in this item.*

The final major factor in the increase occurs in the category of office additional and replacement equipment as a result of the need to provide a more rapid and more modern addressograph system to handle the large volume of the monthly "Mineral Information Service," which has been growing steadily over the last five years. The volume of this periodical, plus other mailings, has reached the point where either additional help would be required or a faster addressing machine. Consequently, we believe that in the interests of long-range economy it would be wiser to obtain a more modern piece of equipment rather than to establish an additional position. Therefore, we recommend that the increase in the equipment item be allowed.

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

**Department of Natural Resources
DIVISION OF MINES**

ITEM 196 of the Budget Bill

Budget page 745
Budget line No. 9

**FOR SUPPORT OF GEOLOGICAL EXPLORATION IN COOPERATION WITH
U. S. GEOLOGICAL SURVEY FROM THE GENERAL FUND**

Amount requested	\$35,000
Estimated to be expended in 1955-56 Fiscal Year	35,000
Increase	None

RECOMMENDATIONS

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

ANALYSIS

Most of the geological maps used by the State Division of Mines in connection with its surveys and publications are prepared by the U. S. Geological Survey. This federal agency undertakes a continuous survey of important geological features of the State of California. The State, by participating in the cost of this work, receives data, maps, and reports which would otherwise cost the state considerably more money if it were to attempt to prepare them itself. For the past number of years the State has cooperated with the United States Geological Survey to the extent of \$35,000 annually.

We believe that maps and surveys are the most important tools used by geologists and the mining industry generally. Consequently, this cooperative undertaking should continue. Therefore, we recommend approval of the item as submitted.

**Department of Natural Resources
DIVISION OF OIL AND GAS**

ITEM 197 of the Budget Bill

Budget page 746
Budget line No. 7

**FOR SUPPORT OF DIVISION OF OIL AND GAS FROM THE
PETROLEUM AND GAS FUND**

Amount requested	\$582,091
Estimated to be expended in 1955-56 Fiscal Year	553,403
Increase (5.18 percent)	\$28,688

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$14,035	\$14,035	---	746 72
Operating expense	18,597	18,597	---	747 27
Equipment	-4,012	-4,012	---	747 37
Less: decreased reimbursements	+68	+68	---	747 42
Total increase	\$28,688	\$28,688	---	747 44

RECOMMENDATIONS

Amount budgeted	\$582,091
Legislative Auditor's recommendation	582,091
Reduction	None

Division of Oil and Gas—Continued

ANALYSIS

The function of the Division of Oil and Gas is to inspect the methods used in drilling and maintaining oil and gas wells to prevent waste and damage to oil, gas and domestic water supplies.

The division is supported by fees assessed against oil and gas producers based on the volume of production. The rate is adjusted from time to time in order to pay the total cost of operating the division, plus the maintenance of a \$50,000 surplus. The level of service proposed for the 1956-57 Fiscal Year is approximately the same as has been authorized for the current fiscal year. The increase of \$14,035 proposed in salaries and wages is due to the request for two senior drafting aide positions that would be used in the San Francisco office to enable the division to catch up on a backlog of new map work; also many of the existing maps and tracings are in need of replacement because of the numerous revisions that have been made in them over the past few years. It is the division's contention that by the adding of these two positions that overtime would be reduced. From the work load data presented to us, we feel that the positions are justified and would allow the division to keep pace with existing work load. The balance of the increase in salaries and wages is due to normal merit salary adjustments.

Operating expenses show a substantial increase of \$18,600 above the current year's estimate. This increase is caused by many factors, printing being one of the major ones with an increase of approximately \$4,000 which would provide funds for one additional bulletin or allow the division to increase the size of the existing publication so that more technical data might be included. Personnel for this service has been provided in a previous budget so that the increase in operating expense is the extent of additional funds that will need to be provided. It will be noted that automobile operation has been increased by approximately \$1,300, which is the result of a proposal to place the Los Angeles office of the division in the Department of Finance pool operation.

Rent for building space is being increased since the division's lease in San Francisco will expire on December 31, 1956, and it is estimated that the \$775 per month currently being paid is considerably below that which will be required after this date. At the present time only a tentative estimate of \$1,620 per month has been made so that this category has been adjusted upward as a result.

It will be noted that \$3,000 is being requested for moving to relocate the San Francisco office since the division feels that the existing space is not suitable for their purposes due to various building deficiencies.

Repair and maintenance of structures have been increased by \$2,015 since it is planned to handle more miscellaneous repairs and painting than in the past. Blueprinting and drafting expenses have likewise been increased by approximately \$1,200 which is due to the added work that is anticipated to be carried on by the two additional drafting aide positions.

The foregoing increases seem reasonable for the work load anticipated. We therefore recommend approval of the budget request as submitted.

**Department of Natural Resources
DIVISION OF SOIL CONSERVATION**

ITEM 198 of the Budget Bill

Budget page 748
Budget line No. 7

**FOR SUPPORT OF DIVISION OF SOIL CONSERVATION FROM THE
GENERAL FUND**

Amount requested	\$68,641
Estimated to be expended in 1955-56 Fiscal Year	62,099
Increase (10.5 percent)	\$6,542

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$4,496	\$4,496	---	748 52
Operating expense	2,206	2,206	---	748 69
Equipment	26	26	---	749 7
Less: increased reimbursements	-186	-186	---	749 12
Total increase	\$6,542	\$6,542	---	749 14

RECOMMENDATIONS

Amount budgeted	\$68,641
Legislative Auditor's recommendation	68,641
Reduction	None

ANALYSIS

The 1955 General Session of the Legislature, by enacting Chapter 1680, has repealed Division 9 of the Public Resources Code and replaced it with a new section establishing the Division of Soil Conservation. This new division in the Department of Natural Resources will handle the administrative functions of the Soil Conservation Law which were heretofore the duties of the Soil Conservation Commission. The commission, on the other hand, will serve as a policy-making body designed to determine the State's over-all policy on soil conservation. The membership of the commission has been increased by two members which accounts for a slight increase in the division's budget due to increased per diem and travel, but salaries are not involved since the commissioners serve without pay.

It should be noted that the organization of the commission's staff to division status was completed on September 7, 1955, and that the present staff has been able to provide the same level of service as has been available in the past. The commission's budget for 1955-56 added three positions more than were authorized in 1954-55, which has allowed the division to keep pace with its investigations with regard to small watershed project applications, proposals for new districts, application screening, and various other duties. The \$4,496 increase in salaries and wages is attributable to the fact that the position of division chief has as yet not been filled and that salary savings are anticipated in the current year. In 1956-57 there are no salary savings estimated. Operating expenses have been increased by approximately \$2,200 due primarily to increases in automobile mileage and traveling in state, occasioned by the two additional commissioners.

Equipment indicates no appreciable increase, since only normal replacements and some minor additional equipment is anticipated to be

Division of Soil Conservation—Continued

needed. Based on the foregoing, we recommend approval of the budget as submitted.

**Department of Natural Resources
SOIL CONSERVATION COMMISSION**

ITEM 199 of the Budget Bill

Budget page 748
Budget line No. 22

FOR SUPPORT OF ALLOTMENT TO SOIL CONSERVATION SERVICE FOR PLEASANTON NURSERY FROM THE SOIL CONSERVATION DEVELOPMENT FUND

Amount requested	\$30,000
Estimated to be expended in 1955-56 Fiscal Year	30,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$30,000
Legislative Auditor's recommendation	30,000
Reduction	None

ANALYSIS

In 1954 the United States Soil Conservation Service cut its allotment for the operation of its Pleasanton nursery and in the 1954-55 Fiscal Year Budget the State appropriated for the first time \$30,000, payable from the Soil Conservation Equipment Revolving Fund, which is a predecessor to the Soil Conservation Development Fund, to share in the costs for the continued operation of this establishment. The Pleasanton nursery has conducted research in the past in the development of hardy, fast-growing range types of grasses suitable for soil conservation purposes. The nursery maintains cooperative relationships with the University of California and various other agricultural services but does not duplicate their research activities.

It is our understanding that since 1954 approximately 1,000 accessions have been submitted to the nursery for testing to determine their suitability for soil conservation purposes and as range grasses. The research conducted at the nursery seems to have been fruitful for the short period in which the State has cooperated. We understand that three new grasses were approved by the Seed Certification Committee during the current year, which would appear to be an indication of progress.

Based on the foregoing, we recommend that the State's cooperation in this program be continued.

DEPARTMENT OF PUBLIC HEALTH

ITEM 200 of the Budget Bill

Budget page 750
Budget line No. 63

FOR SUPPORT OF DEPARTMENT OF PUBLIC HEALTH FROM THE GENERAL FUND

Amount requested	\$4,428,997
Estimated to be expended in 1955-56 Fiscal Year	4,333,548
Increase (2.2 percent)	\$95,449