

**Department of Motor Vehicles
DEFICIENCY PAYMENTS**

ITEM 172 of the Budget Bill

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

Amount requested	\$500,000
Amount allocated to date for 1960-61 fiscal year	177,792

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

This annual appropriation was established by the Legislature in the fiscal year 1948-49 Budget Act as this agency is specifically prohibited by statute from creating deficiency expenditures as authorized under Section 11006 of the Government Code, and in addition, as it is a special fund agency, it does not have access to the Emergency Fund for contingent expenses.

We believe that the Department of Motor Vehicles, due to its complicated responsibilities, the nature of its operations, and the amount of its total annual expenditures, needs such a contingency reserve to meet unanticipated emergencies.

The amount requested, \$500,000, is \$150,000 greater than the sum which was appropriated for this item in the current year. To date \$177,792 of that amount has been allocated to defray unbudgeted pro rata charges.

We recommend approval of this item as budgeted.

DEPARTMENT OF FISH AND GAME

ITEM 173 of the Budget Bill

Budget page 444

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

Amount requested	\$9,481,631
Contribution to State Employees' Retirement System	540,000
Total	\$10,021,631
Estimated to be expended in 1960-61 fiscal year	10,106,261
Decrease (0.8 percent)	\$84,630
TOTAL RECOMMENDED REDUCTION	\$172,055

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Delete Predator Control Operating Expenses (\$25,400)			
Region I	\$7,300	449	57
Region II	7,300	451	28
Region III	3,600	452	79
Region IV	7,200	454	50
Assistant to commission (\$18,516)			
Delete assistant to the commission	12,576	444	75
Delete one intermediate typist-clerk	4,740	444	76
Delete in-state travel	1,200	445	6
Revision of Conservation Education printing budget (\$63,359)			
Reduce operating expenses			
Printing—sportsmen services	\$22,935	447	22
Printing—technical reports	15,186	447	23
Printing—laws, rules and regulations	25,238	447	24
Centralization of license administration, personnel management and fiscal control			
Delete various positions	\$64,780		

Department of Fish and Game—Continued

GENERAL SUMMARY

The State Constitution provides that "the people shall have the right to fish on and from the public lands of the State and in the waters thereof, excepting upon lands set aside for fish hatcheries and no land owned by the State shall ever be sold or transferred without reserving in the people the absolute right to fish thereupon and no law shall ever be passed making it a crime for the people to enter upon the public lands within this State for the purpose of fishing in any water containing fish that have been planted there by the State, provided that the Legislature may by statute provide for the season and the conditions under which the different species of fish may be taken." The Constitution further states that the Legislature may provide for the division of the State into fish and game districts and may enact such laws for the protection of the fish and game in such districts or parts thereof as it may deem appropriate and that there shall be a Fish and Game Commission of five members appointed by the Governor, for six year terms, subject to confirmation by the Senate. Furthermore, the Legislature may delegate to the Fish and Game Commission such powers relating to the protection, propagation and preservation of the fish and game as the Legislature sees fit.

The task of conserving the State's wildlife resources (that is the preservation and enhancement of the basic stock of each wildlife species and allowing hunters and fishermen to take the annual surplus), is the administrative responsibility of the Department of Fish and Game. Prior to 1951 the agency was a division of the Department of Natural Resources, but at that time the Legislature established an independent department for the administration of its wildlife resources. However four agencies have direct responsibilities in the fish and game matters—the Department of Fish and Game, the Fish and Game Commission, the Wildlife Conservation Board and the Marine Research Committee.

The Legislature has maintained a careful watch over the department's operation for a number of years and has constantly sought ways and means for improving the status under which the department and the three other agencies operate.

Support of the Department of Fish and Game comes from the Fish and Game Preservation Fund, which derives its revenue from the sale of hunting and fishing licenses, court fines and commercial fishing taxes. Generally speaking, one-half of the fines and forfeitures collected as a result of violations of the Fish and Game Code are deposited in the Fish and Game Preservation Fund and the other one-half to the county in which the offense was committed. The moneys going to the county must be deposited in the County Fish and Game Propagation Fund and expended for the propagation and conservation of fish or game within the county under the direction of the board of supervisors.

Department of Fish and Game—Continued

Commission

The Fish and Game Commission possesses only such powers as are delegated to it by the Legislature. In general, the Legislature has granted the commission the power to regulate the taking or possession of birds, mammals, fish, amphibians and reptiles, except for commercial purposes. These powers have been delegated for two-year intervals by each General Session of the Legislature. Other regulatory powers pertaining to less significant fish and game matters have been granted on an unrestricted basis. One of the major responsibilities of the commission is to hold public meetings to hear and consider the recommendations of interested citizens and groups before setting fish and game regulations. By law, the commission must hold four formal meetings a year—one each January and February to establish fishing regulations and one each in April and May to establish hunting regulations.

As stipulated by the Fish and Game Code, general policies for conduct of the department are formulated by the Fish and Game Commission and the Director of the Department of Fish and Game is responsible to the commission for administration of the department in accordance with the policies thus established. Moreover, both the Wildlife Conservation Board and the Marine Research Committee indirectly set policies for the department since both agencies are empowered by the code to request and direct the department to take certain actions. Notwithstanding that the department is subject by law to certain decisions of the commission, the Wildlife Conservation Board and the Marine Research Committee, the Director of the Department of Fish and Game is responsible to the Governor.

Wildlife Board

The Wildlife Conservation Board was established by the Wildlife Conservation Act of 1947. It consists of the President of the Fish and Game Commission, the Director of the Department of Fish and Game and the Director of Finance. Additionally, three members of the Senate and three members of the Assembly meet with the board and participate in its activities. The primary responsibilities of the board consist of selecting and authorizing the acquisition of land and property suitable for recreation purposes and the preservation, protection and restoration of wildlife. The board is empowered to authorize construction of facilities on property it has acquired, consistent with the purpose for which the property was purchased. The acquisition and construction program of the board is financed out of the Wildlife Preservation Fund for which, in 1955, the Legislature established a continuing annual appropriation of \$750,000 from pari-mutuel revenues.

Marine Research Committee

The Marine Research Committee which was established by the Legislature in 1947, is made up of nine members, five representing commercial fish processors, at least one member representing organized sportsmen's groups and at least one representing organized labor. The membership is appointed by the Governor for two-year terms. The com-

Department of Fish and Game—Continued

mittee is empowered to employ personnel or contract for research in the development of commercial fisheries of the Pacific Ocean and financial support for the committee is derived from a special privilege tax on fish dealers and fish packers.

Department

The Department of Fish and Game organization consists of the director and a headquarters staff in Sacramento, five regional managers, each responsible for Fish and Game operations in his portion of the State and the marine resources operations located at Terminal Island in Los Angeles County.

As previously stated, support of the department primarily obtains from the sale of hunting and fishing licenses. Additionally, there are subventions from the federal government for specific programs.

Immediately prior to the 1957 General Session, the revenues from the sale of fishing and hunting licenses declined to the point that there was a good possibility that the Fish and Game Preservation Fund would go into the red. As a result, the Legislature, in 1957, increased the license fees, but in doing so, required, through enactment of Fish and Game Code Section 13005, that 50 percent of all revenues attributable to the increase in license fees were not to be made available for expenditure unless they were specifically appropriated by the Legislature. As of December 7, 1960, \$4,558,381.42 had been collected, representing 50 percent of the sum attributable to the license fee increase. At that time, the State Controller's record indicated that only \$100,000 of the sum had been specifically appropriated for expenditure, leaving a balance of \$4,458,381.42. The following table indicates the revenues, expenditures, restricted surplus and total surplus of the Fish and Game Preservation Fund:

525

<i>Status</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Estimated 1960-61</i>	<i>Proposed 1961-62</i>
Revenue * -----	-	\$8,742,533	\$10,655,123	\$10,517,739	\$10,995,200	\$10,872,534
Unrestricted revenue -----	-	8,074,926	9,106,608	8,946,816	9,390,267	9,242,576
Restricted revenue -----	-	667,607	1,548,515	1,570,923	1,604,933	1,629,958
Accumulated restricted revenue -----	-	667,607	2,216,122	3,787,045	5,391,978	7,021,936
Expenditures * -----	-	9,465,150	9,909,931	9,642,020	11,194,213	10,850,914
Unrestricted surplus -----	\$3,516,223	2,125,999	1,322,676	627,472	-	-
Restricted revenue used to balance budget -----	-	-	-	-	1,006,129	1,608,338
 Total year end surplus * -----	 \$3,516,223	 \$2,814,990	 \$3,533,449	 \$4,584,862	 \$4,315,849	 \$4,407,469

Department of Fish and Game—Continued

The mathematical discrepancies that are apparent in the table are due to the fact that data received from the agencies involved fail to coincide. The asterisk indicates that the figures were taken from the Governor's Budget. The "restricted revenue" figures were obtained from the Department of Fish and Game. The figures are sufficiently correct, however, to indicate the trends subsequently discussed.

ANALYSIS

Budget Proposals

The budget proposes an expenditure of \$11,184,859, including federal funds for the support of all facets of the Fish and Game program exclusive of capital outlay. This represents a reduction of \$397,702 or 3.4 percent from the estimated 1960-61 fiscal year expenditures.

The budget item being contemplated here is for support of the department itself from the Fish and Game Preservation Fund. It is proposed that \$10,021,631 be expended for this purpose. Of this amount, \$540,000 will be for contributions to the State Employees' Retirement System and \$9,481,631 will be for actual operations of the department. The overall expenditure under this item represents an \$84,630 decrease, or 0.8 percent, from the estimated 1960-61 fiscal year expenditures.

In an attempt to stay within its revenues, the department has made a number of adjustments within its proposed operating expenses and equipment purchases. There has been a reduction of \$154,843, representing 26.6 percent, in proposed equipment purchases, and a \$11,654 decrease in operating expenses, representing 0.3 percent.

The most significant change in the budget as it has been presented is the reduction in the game-management, pheasant program. This change has reduced by six the number of authorized permanent positions, which are related to the closure of the Region 5 game farms, one of which was located in Imperial County and another in San Diego County. The department is consolidating its Southern California pheasant production at the Chino Game Farm which is on the property of the California Institution for Men located near Chino.

To compensate partially for the closure the department proposes to purchase 9,000 pheasants from private producers for a cost of \$28,000. The private vendors are of the opinion that they can produce pheasants at a cost lower than the department even when the department utilizes the inmate labor at Chino.

A further reduction involves two positions which were abolished upon the integration of the Sequoia Hatchery production with the San Joaquin Hatchery production at the latter installation with the consequent closure of the former during the 1960-61 fiscal year.

Discussion of Recommended Reductions

The most important problem facing the State today in the management of its wildlife resources is the financing of the Department of Fish and Game. As the budget for the 1961-62 fiscal year now stands, the Department of Fish and Game anticipates that there will be an accumulated surplus available on July 1, 1961, of \$4,385,849. This surplus will

Department of Fish and Game—Continued

exist only if the revenue predictions of the department materialize during the 1960-61 fiscal year. The department anticipates total revenues during the 1960-61 fiscal year accruing to the Fish and Game Preservation Fund in the amount of \$10,758,590. We feel that this estimate is unduly optimistic for the following reason:

The basic fishing license represents in excess of 40 percent of the department's total revenue; and revenue from this source has been on the decrease for quite some time. Parenthetically, the Department of Fish and Game undertook an increased level of enforcement of fishing license requirements across the entire State. The first phase of the program was undertaken the first week of July, 1960, and the second phase during the first part of August, 1960. It was found in Southern California that 5.7 percent of those persons contacted did not have a valid fishing license. It is to be noted that, when a fishing license—or any other license, for that matter, is purchased, the sale of that license is not reported in the files of the department until the subsequent month. During the months of August and September, 1960, there was a substantial increase in fishing license sales but as soon as the increased enforcement effort was removed, the sale of licenses dropped substantially below the last two years' experience.

It appears to us that the predictions of revenue made for the Department of Fish and Game were predicated upon the increased level of license sales reported during the months of August and September 1960. Experience indicates that an increased level of law enforcement must be continued to have a sustained effect. It is therefore doubtful whether the revenue predictions of the Department of Fish and Game will materialize. Should these revenue estimates fail to materialize during the 1960-61 fiscal year, then the accumulated surplus expected to exist on July 1, 1961, will not be attained and unless there are material adjustments made in the programs of the Department of Fish and Game, it will be necessary for the department to use moneys now dedicated as "frozen" reserve funds. In this light it should be pointed out that by the estimates of the Department of Fish and Game, its total revenues will exceed its total expenditures by only \$21,620, which means that the restricted revenue of \$1,629,958 accruing to the Fish and Game Preservation Fund during the 1961-62 fiscal year, for the most part, will have to be used to continue the operation of the department instead of being set aside in conformance with the concept envisioned by the Legislature when the fishing licenses fees were increased in 1957. It might be pointed out that as of the conclusion of the 1961-62 fiscal year, the accumulative restricted revenue is expected to amount to \$7,021,936, but of this, \$1,006,129 and \$1,608,338 will be used during the 1960-61 fiscal year and 1961-62 fiscal year respectively to operate the department.

In view of the above, it seems apparent that we must either cut back a number of the Fish and Game programs or functions, or else increase hunting and fishing license fees. In our judgment, however, it will not be necessary to increase the hunting and fishing license fees in the fore-

Department of Fish and Game—Continued

seeable future if proper adjustments are made in the department's spending program at this time.

Should the department's revenue estimates materialize and no wage adjustments be made within the department, the department's proposed 1961-62 fiscal year budget will be balanced to the extent that expenditure will not exceed overall revenue, in fact revenues should exceed expenditures by approximately \$21,620.

No new positions are requested in this budget. Actually the total position count is reduced due to a reduction in crop production on the waterfowl areas and by a reduction in the game farm program.

In order to stave off the increase of fishing and hunting license fees and, also, to insure that the license buyer is receiving the most for his license dollar, the following adjustments in the Department of Fish and Game's program should be made.

License Agents' Commission

The 1961-62 fiscal year budget anticipates that \$347,616 will be retained by license agents for selling fishing and hunting licenses. This, in itself, is enough money to eliminate the need for increased hunting and fishing license fees.

Historically, it has been the practice for the State of California to reimburse the license agents for handling the sale of the fishing and hunting licenses. However, this practice is not consistent with the general policy of the State which has been not to reimburse private businesses for revenue collecting services performed for the State. It is significant to observe that approximately 300,000 retailers throughout the State collect and account for sales tax moneys without any reimbursement. Similarly, perhaps 250,000 employers act in a like capacity for unemployment insurance and disability insurance moneys without any reimbursement. Neither one of these two types of collecting activities in any way attract any business to the retailer or the employer, whereas, it is widely accepted that the license agency does attract a great deal of business to the concern. By eliminating the license agent commission, it is entirely possible that some of the present agents would resign their license agency. This would have the effect of making it a little harder for the license-buying public to obtain licenses. But we are inclined to feel that if public agencies, particularly state agencies, were also authorized to sell the licenses, that the license-buying public would not be inconvenienced to any significant extent. And perhaps the license-buying public would be willing to sustain this possible slight inconvenience in favor of obviating an increase in fishing and hunting license fees.

Elimination of Predator Control

The 1961-62 fiscal year Budget provides \$25,400 for predator control. The sole justification for predator control at this time is to protect domestic livestock using the wildland areas. This has nothing whatsoever to do with the preservation of fish and wildlife for which the fisherman and hunter buys his license. Under such a justification, the

Department of Fish and Game—Continued

support of the predator control program should come from an agency such as the Department of Agriculture.

From the standpoint of predator control for the protection of wild-life, recent surveys indicate that an adult cougar or a mountain lion kills anywhere from 30 to 50 deer a year with the average probably near the lower figure. The take of lions in California over the past 50 years indicates that there has been no appreciable change in their abundance over this period. The annual take of about 200 would indicate that hunters are cropping a top population of 700 to 800 animals, including 500 to 600 breeding adults. This would indicate that lions may be killing 15,000 to 20,000 deer a year. This, undoubtedly, seems large but, under present conditions, it has little effect on hunting because the lion kill comes from the surplus unharvested by the hunter or from the unfit animals. Generally speaking, the bounty systems have failed in their objective generally throughout the United States.

It is also a known fact that coyotes do kill some deer and it is also known that deer herds can make substantial increases without the benefit of predator control. Coyotes tend to take the weaker animals and, thus, kill more deer from herds that are not adequately cropped by hunting. If deer herds were being harvested to the maximum, the removal of coyotes would probably make a few more deer available to hunters. The old idea that the control of coyotes would result in a tremendous buildup of mice and other rodents has been generally disproven. It is now recognized by most game managers that food supply and not predators determines the abundance of small animals. Widespread coyote control cannot be justified economically for wildlife alone.

In view of the above, *we recommend deletion of all predator control for a total savings of \$25,400.* This is accomplished through deleting Predator Control from the operating expenses of Region 1, budget page 449, line 57, \$7,300; Region 2, budget page 451, line 28, \$7,300; Region 3, budget page 452, line 79, \$3,600; Region 4, budget page 454, line 50, \$7,200.

Elimination of Assistant to the Commission

At the present time, the commission has an immediate staff made up of an assistant to the commission, secretary to the commission, and two clerk stenographers, for a total of salaries and wages of \$32,298. The total cost for the commission is \$47,675.

The function of the assistant to the commission is to counsel the commission as to the provisions of the Fish and Game Code, to act as the commission's representative before the Legislature, sportsmen's groups and the department, to counsel and advise the department's administrators as to commission procedures, to supervise the commission office consisting of himself and three other employees, to determine what shall appear on the agenda of the Fish and Game Commission meetings, and to analyze the effect of legislation affecting the Fish and Game Code.

All of these responsibilities are duties that essentially the Director of Fish and Game and his staff should handle. The fact that an inter-

Department of Fish and Game—Continued

mediary, the assistant to the commission, now performs this work prevents a proper relationship between the director and the commission and is expending hunting and fishing license moneys without enhancing the over-all program.

We therefore, recommend that the assistant to the commission and one intermediate typist-clerk be eliminated for a savings of \$17,316 in salaries and wages and a savings of \$1,200 for in-state travel, for a total savings of \$18,516. This will have the result of leaving the commission its "secretary to the commission" and one senior typist-clerk.

Conservation Education Printing

The 1961-62 fiscal year Budget proposes the expenditure of \$162,759 for printing in the Conservation Education Unit. Since this figure represents a 226.7 percent increase from July 1, 1955, it would appear that the printing budget for the Conservation Education Unit should be closely scrutinized.

An appraisal of the Department of Fish and Game revenues indicate that, during the five-year period of July 1, 1955 through June 30, 1960, the increase in revenue averaged 5.5 percent a year. Records of the Department of Fish and Game indicate that the number of basic fishing licenses sold to citizens have increased only 5.6 percent over the entire five-year period. However, during that same five-year period, the sale of basic citizens' hunting licenses decreased by 4.9 percent.

Of additional interest is the point that a fairly recent survey made of the license agents indicates that the conservation-education material distributed to the license agents is for the most part wasted. A great number of the license agents queried on this point stated that they throw away most of the conservation-education material since the license-buying public does not want to carry it away.

The increased printing budget has not apparently enhanced the reproduction of any wildlife, nor has it enhanced the sale of licenses.

In view of the above, we recommend that the conservation education section printing budget be revised to the 1955-56 fiscal year level with an increment comparable to the increased revenue of the department, which for the 1960-61 fiscal year should represent 138.5 percent of the 1955-56 level or a total of \$99,450. Therefore, the item for printing-sportsmen's services should be reduced by \$22,935 allowing a budget of \$36,000; the item for printing—technical reports and bulletins should be reduced by \$15,186 allowing a budget of \$23,769; the item for printing—laws, rules and regulations should be reduced by \$25,238 allowing a budget of \$39,581. This would result in a total savings of \$63,359.

Centralization of License Administration, Fiscal and Personnel Management

At the present time, license sales are administered from each of the five regions with a co-ordinating echelon at the department's headquarters in Sacramento. The justification for this type of an organization dates back to the 1920's when the license agent was required by law to purchase the licenses from the Department of Fish and Game

Department of Fish and Game—Continued

and then resell them to the public. Under that arrangement, the license agents were few in number and generally made relatively small purchases from the department.

Under the existing arrangement, there are approximately 3,500 license agents all doing business on a credit basis with the department, which eliminates the need for local license administration and the need for prompt service. At the present time, there are 20 people engaged in the license sales program, three in headquarters and 17 in the regional offices. A recent survey of the department indicates that: (1) centralization offers an opportunity to achieve significant economies through mechanization of accounting procedures and improved utilization of personnel, and (2) that centralization of license administration can be accomplished without impairing necessary service to the license agents.

It should be noted that licenses can be delivered to all license agents in the metropolitan and urban areas of the State in 24 hours through the mails from Sacramento, and in the remote areas mail delivery takes two days from Sacramento.

Another recent survey made of the agents visiting the regional offices (where license administration is now handled) concludes that agents are more inclined to use the offices for the purpose of making remittances than to pick up additional licenses and that these visits appear to be more a matter of convenience than necessity. The determining factors are distance, traffic, parking and the postage fee. It was interesting to note that the largest region, with a headquarters office in Los Angeles, had an average of less than one agent per day visiting the office.

It should also be noted that the workload for license sales varies in the different regions according to the seasons. Should all of the license administration be centralized in Sacramento, the workload would be more evenly distributed among the license administration personnel. Moreover, should the license administration be centralized, all of the posting could be done by a machine instead of by hand as it is now done in four of the five regions. Additionally, internal fiscal and audit control could be more efficiently administered.

A recent survey made of the Department of Fish and Game by the management firm of Booz, Allen and Hamilton and also by an interim study of the Senate Fact Finding Committee on Natural Resources indicate that substantial savings can be obtained from centralizing the fiscal and personnel management activities (in addition to the license administration activities) at the Sacramento headquarters office. These studies clearly demonstrate considerable duplication of effort exists in the departmental and regional headquarters fiscal management activities, as well as in the maintenance of the personnel records.

Under the existing organization, the regional business service function is essentially a processing station separated physically from the majority

Department of Fish and Game—Continued

of the field personnel. The transfer of these functions to departmental headquarters would eliminate the delaying action caused by material being first sent to the regional headquarters and then to Sacramento. Moreover, in the centralization of the accounting, personnel and licensing activities, additional benefits are to be obtained from reducing the number of review levels with their apparent complications. At present, the regional business services officer has little control over expenditures within the various functions and it is certainly possible to set up controls in departmental headquarters to insure against expenditures that might exceed budget quotas.

Thus, his job is primarily that of a coordinator between the several functions. It is our opinion that the regional manager can assimilate the relatively minor business management workload that would remain at the regional level without additional assistance. The result of these recommendations is to provide for the deletion of 20 regional licensing positions, the deletion of five regional personnel management positions and the deletion of 10 regional business service positions; an increase of 15 headquarters positions for license administration, the addition of three headquarters positions in the personnel section and the addition of three headquarters positions in the accounting and general services section, bringing about a probable savings of \$64,780, plus materially enhancing the effectiveness of the department's licensing, personnel and business management activities.

In view of the above we recommend that the Department of Fish and Game be directed to adopt the concept of centralizing its license administration, personnel management and fiscal control activities at the headquarters echelon and make the appropriate deletions from its budget.

Reimbursements for Water Projects Investigations

At the present time, the law requires that any person or organization (except the state government) which in any way interferes with any stream flow or body of water must first obtain clearance from the Department of Fish and Game. This program is handled by the Water Projects Section and during the 1959-60 fiscal year \$185,374 was expended in making investigations. Of that sum, \$87,796 was returned to the Department of Fish and Game as a reimbursement from the Department of Water Resources to defray the costs of investigating the water projects contemplated by that department. Since most water projects will in one way or another adversely affect the existing fish life, it is only equitable that the persons or organizations planning to construct a water facility should reimburse the Fish and Game Preservation Fund for the cost of undertaking the required investigations. *We recommend that the Legislature, through its appropriate committees investigate this matter with the view of establishing charges for the services rendered by the water projects personnel of the Department of Fish and Game.* There is a possibility that such reimbursements would bring an additional \$100,000 of revenue into the Fish and Game Preservation Fund.

Department of Fish and Game

GAME MANAGEMENT IN CO-OPERATION WITH THE FEDERAL GOVERNMENT

ITEM 174 of the Budget Bill

Budget page 457

FOR SUPPORT OF GAME MANAGEMENT IN CO-OPERATION WITH THE FEDERAL GOVERNMENT FROM THE FISH AND GAME PRESERVATION FUND

Amount requested	\$191,306
Contribution to State Employees' Retirement System	8,801
Total	\$200,107
Estimated to be expended in 1960-61 fiscal year	275,500
Decrease (27.4 percent)	\$75,393
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

Under the provisions of the Federal Aid in Wildlife Restoration Act, which is more popularly known as the Pitman-Robertson Act, the federal government authorizes a program of financial assistance to the several state governments to aid in basic investigative and research work for better management of the State's game resources.

From excise taxes on sporting arms and ammunition, the federal government allocates an amount determined by a weighted formula. The projects are initiated after careful screening by the federal co-ordinator whose fieldmen conduct frequent and thorough audits. The federal government defrays 75 percent of the acceptable projects, or portions of projects, and the State absorbs the remainder.

ANALYSIS

The budget contemplates a decrease of \$73,950 or 26.8 percent in state expenditures from the 1960-61 level of service. As previously pointed out, this program is subvented approximately 75 percent by the federal government and the decrease in the level of this program is directly attributable to a decrease in federal funds. The total decrease in federal funds amounts to \$221,850, which has caused the decrease of \$73,950 in state funds. The decline in the federal funds is due, first of all, to the fact that there has been a decline in the collection of excise taxes on the sale of firearms and ammunitions. Secondly, to the fact that the State of Hawaii and the State of Alaska were admitted to the Union recently which rearranged the distribution of the federal funds. Since the formula is based upon acreage and the number of license buyers, the addition of Alaska in particular with its large acreage has cut the "pie," so to speak, into smaller servings. The combination of these two reasons represents approximately \$90,000 of the federal decrease. Additionally, considerable surpluses were accumulated during the World War II years and the federal government has distributed these surpluses over a five-year period which will terminate on June 30, 1961. The federal funds from this latter source represent approximately \$120,000 of the overall federal decrease.

In anticipation of this cut back, the department's general support budget (during the 1960-61 fiscal year) absorbed five supervisory posi-

Game Management in Co-operation With the Federal Government—Continued
 tions which were previously budgeted here. To further compensate for the cut back of federal funds, the Department of Fish and Game is now adjusting its method of operations at the waterfowl management areas. Previously, they had been operated on a true farming basis, where grain crops were planted and harvested. The department intends to continue farming only on a limited basis with an expanded marsh management program which encourages native plants to develop in the same manner as in an undisturbed natural habitat.

In the event that the new type of management should not be capable of handling excessive crop depredations, the State will be able to obtain surplus grain from the federal government free of charge, except for the cost of transporting that surplus grain from its place of storage to the waterfowl areas. Therefore, the department does not anticipate any increased overall depredation problem.

This adjustment has allowed the department to reduce the personnel complement for waterfowl management areas by 36 positions, 23 of which were classified permanent. Only six of the employees involved will be terminated by layoff procedures. The remaining will be accounted for through the normal termination processes such as retirements or transfers.

The budget provides for 15 Pitman-Robertson projects which are estimated to cost \$806,200 in the budget year, of which \$201,550 will come from the Fish and Game Preservation Fund and the remaining \$604,650 from the federal government. *We recommend approval of this item as submitted.*

Department of Fish and Game

FISHERIES MANAGEMENT IN CO-OPERATION WITH THE FEDERAL GOVERNMENT
 ITEM 175 of the Budget Bill Budget page 461

**FOR SUPPORT OF FISHERIES MANAGEMENT IN CO-OPERATION
 WITH THE FEDERAL GOVERNMENT FROM THE FISH
 AND GAME PRESERVATION FUND**

Amount requested	\$82,515
Contribution to State Employees' Retirement System.....	4,010
<hr/>	
Total	\$86,525
Estimated to be expended in 1960-61 fiscal year.....	83,150
<hr/>	
Increase (4.1 percent)	\$3,375
<hr/>	
TOTAL RECOMMENDED REDUCTION.....	None

GENERAL SUMMARY

The Department of Fish and Game undertakes a program of fisheries management in co-operation with the federal government under the Dingell-Johnson Act which was enacted in 1950. The State of California first participated in this program in the 1951-52 fiscal year. The act provides federal authority to finance 75 percent of this program from federal funds and the State defrays the remaining 25 percent. The federal moneys are derived from an excise tax on angling equipment.

Fisheries Management in Co-operation With the Federal Government—

Continued

ANALYSIS

The amount requested for the budget year proposes an additional expenditure of \$3,375 from the Fish and Game Preservation Fund, or a 4.1 percent increase. The federal government will contribute \$259,575, bringing the total co-operative fish management program to \$346,100, which is \$13,500 more than estimated to be expended during the 1960-61 fiscal year. The program will employ a total of 42.6 persons and involve 13 projects.

Of the 13 projects, only one will be a new project. A previous project known as the "Northern California Marine Sports Fish Survey" revealed that about one-half of the annual party boat and skiff catch from Bodega to Avila is made up of one species—the Blue Rockfish. In view of the overall importance of this species and the fact that so very little is known of its life history, the new project will try to provide the necessary information for proper management. During the 1961-62 fiscal year it is estimated that the different phases of the project will include a biological study of the species, tagging and analysis of tag recoveries, a sampling of the sport catch to determine angler success and to maintain and analyze the catch statistics and other bottom fish including Ling Cod. It is estimated that 3.3 positions will be utilized on this project.

We recommend approval of this item as submitted.

Department of Fish and Game

CO-OPERATION WITH THE MARINE FISHERIES COMMISSION

ITEM 176 of the Budget Bill

Budget page 465

FOR SUPPORT OF CO-OPERATION WITH THE MARINE FISHERIES
COMMISSION FROM THE FISH AND GAME PRESERVATION FUND

Amount requested	\$16,700
Estimated to be expended in 1960-61 fiscal year.....	16,700
Increase	None
TOTAL RECOMMENDED REDUCTION.....	None

GENERAL SUMMARY

As the result of a compact made between the States of Washington, Oregon and California, the Pacific Marine Fisheries Commission was created in 1947 with the responsibility of developing interstate co-operation and co-ordination in the research and regulation of the Pacific offshore fisheries. The commission is an investigating and co-ordinating body only, lacking any regulatory powers. However, it does have the implied obligation to submit specific recommendations to the states involved. Also, representatives from the State of Alaska, the U.S. Wildlife Service and the Canadian Fisheries Research Board have extended co-operation to the commission increasing the coastwise range of the various research projects from the Mexican border to the tip of Alaska.

The percentage of each member-state's contribution is based upon the value of the respective commercial catches.

**Department of Fish and Game in Co-operation With the
Marine Fisheries Commission—Continued**

ANALYSIS

The budget contemplates an expenditure similar to that of the 1960-61 fiscal year. It will be noted in an analysis of the two budgets, however, that the 1960-61 fiscal year budget provided for \$17,900 for this item, but since the production of the California ocean fishery did not come up to expectations, the actual expenditures are estimated to be \$16,700. *We recommend approval of this item as submitted.*

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

ITEM 177 of the Budget Bill

Budget page 468

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

Amount requested -----	\$116,701
Estimated to be expended in 1960-61 fiscal year -----	99,880
Decrease (16.8 percent) -----	<u>\$16,821</u>
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

Some years ago a serious decline of certain marine fish caused the commercial fishing industry to support legislation designed to increase marine fisheries research. As a result, in 1947, the Legislature established the Marine Research Committee. Present statutes require that the nine-member committee be composed of five members representing commercial fish processors, at least one member representing organized sportsmen's groups and at least one member representing organized labor. Each member of the committee is appointed by the Governor to hold office for two years or until a successor is appointed. The committee is empowered to employ personnel to conduct or contract for research in the development of commercial fisheries of the Pacific Ocean and of marine products susceptible to being made available to the people of the State of California.

Financial support for the committee and research work is derived from a special privilege tax on fish dealers and packers. The tax rate is 5 cents on each 100 pounds or fraction thereof of sardines, Pacific mackerel, jack mackerel, herring and anchovies.

Pursuant to the provisions of Chapter 429 of the Statutes of 1959, the privilege tax, unless renewed in the 1961 General Session, expires on December 31, 1961.

Due to a lower cannery demand for the species of fish involved in the tax program, the income to support the committee was considerably reduced from the 1959-60 fiscal year to the 1960-61 fiscal year.

ANALYSIS

The budget contemplates an expenditure of \$116,701, which is \$16,821 or 16.8 percent more than the previous year's estimated expenditure. It is expected that there will be an operating reserve of \$57,642 on July 1, 1961, and that the revenue accruing from the privilege tax will amount

Marine Research Committee—Continued

to \$60,000, creating resources amounting to \$117,642. The expenditure of \$116,701 will therefore leave an expected operating reserve on June 30, 1962, of \$941.

Operating expenses account for \$8,700 and the remaining \$108,001 will be disbursed for contractual services with the California Academy of Sciences (\$7,550), Scripps Institute of Oceanography (\$14,000), Hopkins Marine Station (\$7,228), United States Fish and Wildlife Service (\$16,000), Department of Fish and Game (\$26,835), the California Academy of Sciences for Marine Research Coordination (\$21,888), and special consultant services (\$14,500).

Should the income from the privilege tax not live up to expectations, the committee will be able to make adjustments in the contractual arrangements so as to keep expenditures within revenues. *We recommend approval of this item as submitted.*

Department of Natural Resources**DIVISION OF ADMINISTRATIVE SERVICES**

ITEM 178 of the Budget Bill

Budget page 470

**FOR SUPPORT OF THE DIVISION OF ADMINISTRATIVE SERVICES
FROM THE GENERAL FUND**

Amount requested	\$633,178
Contribution to State Employees' Retirement System	40,594
Total	\$673,772
Estimated to be expended in 1960-61 fiscal year	466,424
Increase (44.5 percent)	\$207,348
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

The Division of Administrative Services was created by executive order in 1927 for the purpose of centralizing the general housekeeping, fiscal control and personnel management activities of the department.

The 1960-61 Fiscal Year Budget provided for a reorganization of the Department of Natural Resources, whereby two assistant directorships were established, one encompassing the functions previously performed by the Chief of the Division of Administrative Services, another for the purpose of assisting the director in planning and public relations work. The latter position has not been filled as of the time this analysis goes to print, nor has the assistant director for management position been fully activated in accordance with the concepts presented to the Legislature during the 1960 Session.

The basic justification for the assistant director (management) was to provide the director with the necessary management controls over his several divisions. As of this time, the plan has not been fully implemented.

Division of Administrative Services—Continued

ANALYSIS

The budget proposes an expenditure of \$673,772, which represents a \$207,348 or 44.5 percent increase from last year's expenditures from the General Fund. As a practical matter, however, this is merely a bookkeeping adjustment. In previous years, the Division of Beaches and Parks has been financed from the State Beach and Park Fund which paid to the Division of Administrative Services pro rata charges for the executive and overhead services rendered in behalf of the beaches and parks function. Since the Division of Beaches and Parks support was changed from the State Beach and Park Fund to the General Fund, the pro rata payment from the State Beach and Park Fund is not being made. Therefore, the moneys that would have been paid out of the State Beach and Park Fund are now paid directly out of the General Fund, which accounts for most of the increase.

There has, however, been a \$9,354 or 1.6 percent increase in salaries and wages which is primarily attributable to salary adjustments made during the 1960 Session and also the merit salary increases made according to law. The division is abolishing one junior-intermediate typist-clerk as the result of converting the department's property accounting methods to a tabulating machine operation. Additionally, there has been an increase of 0.5 man-years in estimated salary savings. There has also been an increase of \$1,722 or 2 percent in operating expenses, which is primarily attributable to the cost of living increase. There has been a \$13,710 or 64.3 percent decrease in equipment expenses. In total program the division is operating practically at the same level as the previous budget year.

In addition to the moneys appropriated by this item, support of the administrative services division also accrues from pro rata charges made to the other special fund divisions and the State Water Pollution Control Board. They are as follows:

<i>Agency</i>	<i>Amount</i>
State Water Pollution Control Board	\$17,144
Division of Beaches and Parks	615
Division of Oil and Gas (Petroleum and Gas Fund)	18,919
Division of Oil and Gas (Subsidence Abatement Fund)	3,210
Division of Small Craft Harbor Revolving Fund	7,991
Soil Conservation Development Fund	5,122
Division of Forestry	2,000
Division of Mines (State Land Act Fund)	3,550
Department of Fish and Game	3,350
Total	\$61,906

The reimbursements for the 1960-61 fiscal year amounted to \$271,254. The reason for the big decrease is the fact that support of the Division of Beaches and Parks were shifted from the State Beach and Park Fund to the General Fund.

Investigations made by this office tentatively indicate that there remains considerable duplication of effort between the headquarters

Division of Administrative Services—Continued

of the department and the several divisions. The divisions themselves continue to maintain a number of fiscal records that are also maintained by the Division of Administrative Services. Additionally, there is considerable overlapping and duplication in the personnel functions of the department personnel officer and the personnel officers of the Divisions of Forestry and Beaches and Parks.

We recommend that the Department of Natural Resources give additional attention to this matter and make the necessary adjustments which would eliminate the overlapping activities. With this one observation, we recommend approval of this item as submitted.

Department of Natural Resources

DIVISION OF ADMINISTRATIVE SERVICES

ITEM 179 of the Budget Bill

Budget page 471

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

Amount requested	\$4,900
Estimated to be expended in 1960-61 fiscal year	3,500
Increase (40 percent)	\$1,400

TOTAL RECOMMENDED REDUCTION

None

GENERAL SUMMARY

Each year the Department of Natural Resources operates a large display at the California State Fair and Exposition held in Sacramento, depicting the activities of the several divisions in the Department of Natural Resources. This budget item defrays the cost of constructing and operating that exhibit.

ANALYSIS

The item contemplates a total expenditure of \$4,900 from the General Fund which is a \$1,400 increase from last year's General Fund appropriation. This is attributed entirely to the fact that the support of the Division of Beaches and Parks has been transferred from the Beach and Park Fund to the General Fund.

The budget provides for a gross of \$5,000 for this activity. The \$100 differential is taken from the Petroleum and Gas Fund. In reality this request does not differ from the request of the several past years. *We recommend approval.*

Department of Natural Resources

DIVISION OF BEACHES AND PARKS

ITEM 180 of the Budget Bill

Budget page 472

FOR SUPPORT OF THE DIVISION OF BEACHES AND PARKS FROM THE GENERAL FUND

Amount requested	\$5,768,713
Service fees and concession charges available for support	2,903,700
Contribution to State Employees' Retirement System	430,453
Total	\$9,102,866
Estimated to be expended in 1960-61 fiscal year	8,727,950
Increase (4.3 percent)	\$374,916

TOTAL RECOMMENDED REDUCTION

\$85,542

Division of Beaches and Parks—Continued

Summary of Recommended Reductions

<i>Addition</i>	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Add 1 assistant administrative analyst.....	+\$6,672	473	6
<i>Deletions</i>			
Delete temporary help—seasonal.....	6,672	475	68
Delete certain equipment.....	4,518	476	40
Delete certain equipment.....	28,034	477	19

GENERAL SUMMARY

The Division of Beaches and Parks is that administrative unit of the Department of Natural Resources which is responsible for the acquisition, development and operation of the state park system.

It is interesting to note that the state park concept is believed generally to have started in California. In 1865, President Abraham Lincoln signed an Act of Congress whereby the world famous Yosemite Valley and the Mariposa Grove of the Giant Sequoias were acquired by California as the first state park in the nation. In 1890, Congress created a national park surrounding the state lands and later in 1905, the State Legislature returned Yosemite and the Giant Sequoias as an addition to the Yosemite National Park.

In the meantime a growing interest was mounting for the preservation of the coast redwoods in the Santa Cruz Mountains, and the California Legislature set aside an area of virgin redwoods as the California Redwood State Park, which is now called the "Big Basin Redwood State Park." In 1902 a commission was appointed by the Governor to administer the park.

With a desire to save the coast redwood forest in the region where they reach their utmost development, the "Save the Redwoods League" was formed in 1918. This organization has raised several million dollars to match state funds for the purchase of state parks. People from all over the United States have contributed toward the preservation of the redwoods. A movement for a comprehensive statewide system of parks prompted the establishment of a State Park Commission and a provision for the survey of park needs in 1927. In 1928, a \$6 million bond issue was approved as a constitutional amendment. By 1940, the state park system consisted of 70 parks, beaches and historical monuments totaling more than 300,000 acres, purchased at the cost of \$15 million.

Major facilities for public use were constructed through the Civilian Conservation Corps and other federal aid programs beginning in 1933 to supplement the developments provided by the State of California.

Further expansion of the state park system was carried out in accordance with 1945 legislation which appropriated under the matching principle \$10 million for the acquisition of beach-type parks and \$5 million for other parks. In the same year, development of a 3,000-mile riding and hiking trail project was authorized. Several hundred miles of trail have been completed and are now in use.

Division of Beaches and Parks—Continued

In 1956, the park system had been expanded to include 143 units, totaling almost 600,000 acres and acquired at a cost of nearly \$40 million, including gifts from sources other than the State.

With the 1945 appropriation nearly exhausted and matching requirements difficult to meet, the State adopted a five-year master plan contemplating the expenditure of approximately \$83 million for further expansion of this system. This financing was made possible by the release of oil royalty funds which had been impounded by the federal government.

The present state park system consists of over 160 units comprising nearly 700,000 acres with an acquisition value of over \$55 million and developments totaling \$20 million.

Areas selected to become state parks can be classified under one of the four following headings:

1. Natural scenery of unusual beauty.
2. Outstanding examples of vegetative growth, animal population and geological formations.
3. Historical areas and buildings that are preserved for posterity.
4. Physical qualities that give the area outstanding recreational value.

The management of the state park system rests with the Director of Natural Resources through his Chief of the Division of Beaches and Parks. The State Park Commission is charged with the responsibility of establishing general policies for the guidance of the Director of Natural Resources in his management of the state park system. The commission actually functions as an advisory body to the Director of Natural Resources and apparently exercises no power beyond that.

We have previously pointed out that there is considerable disparity in the deployment of personnel in the state park system. The Division of Beaches and Parks is now undertaking a study of its deployment methods. We would expect the Division of Beaches and Parks to be able to present to the Legislature in the 1962 Session a comprehensive survey of its personnel deployment, with the view to making some adjustments in its table of organization.

ANALYSIS

In recent years, the Division of Beaches and Parks has been supported from the State Beach and Park Fund which derived its revenue from the State Lands Act Fund which contains moneys accruing from the lease of state lands and offshore oil royalties. As we have pointed out on a number of occasions, these State Land Act Fund revenues have been falling off during the last several years to the point that the funds available for operation and development of the system have been inadequate. Therefore, the support of the Division of Beaches and Parks has been transferred to the General Fund.

The budget contemplates an expenditure for support of \$9,102,866, part of which is considered in this budget item, and \$12,500 in a subsequent item for the Roadside Rest Program, bringing the total to

Division of Beaches and Parks—Continued

\$9,115,366. When we compare this with the total of \$8,740,484 estimated to be spent during the 1960-61 fiscal year, there is a \$374,882 or 4.3 percent increase in the level of expenditures. In order to compare this budget year's expenditures with the previous years, we must recognize that the budget has shown, as reimbursements in the budget year, the service fees and concession charges which have been deducted from the amounts needed to be appropriated from the General Fund for support of the division. Additionally, when the Division of Beaches and Parks was funded from the State Beach and Park Fund administrative pro-rata charges amounting to \$456,807 in the 1960-61 fiscal year were paid to the Division of Administrative Services, Department of Finance and others which will not be included in the division budget since it is funded from the General Fund. However, an equivalent amount will probably appear as additions to other budgets.

The actual increase is primarily attributable to salary adjustments and also to additional personnel justified on the basis of increased workload in various segments of the Division of Beaches and Parks and the opening of several new units of the state park system.

Administration

The functions of the Division of Beaches and Parks are segregated into three groups. The "Administration Section" includes staff and funds for support of the State Park Commission, executive offices of the division, and its fiscal and personnel management activities.

The division has initiated a reservation system for the Hearst-San Simeon State Park which will be partially handled from the Sacramento office. The reservations system guarantees the person making a reservation an opportunity to go through the castle without standing in line at the entrance gate. If the reservations made do not reach the capacity that the facility can accommodate, the visitors arriving at the park without having made a reservation are permitted to go through the castle on the scheduled tours. As of the time this analysis is written, the reservation system is working satisfactorily and many of the problems heretofore encountered when reservations could not be made have been overcome.

In order to put the reservation system into operation, it was necessary for the division to hire one senior stenographer-clerk, one intermediate stenographer-clerk, 12 man-months of seasonal help in the Sacramento office and one intermediate typist-clerk at the Hearst-San Simeon facility. Additionally, a teletype system between Sacramento and Hearst-San Simeon was installed.

It is estimated that the reservation system will increase the revenue from Hearst-San Simeon during the 1960-61 fiscal year by \$48,900. Expenditures for this period will be approximately \$25,547, thereby creating an estimated net revenue of \$23,353. During the 1961-62 fiscal year, it is estimated that the revenue from the reservation system will amount to \$86,800 and the estimated expenditures will be \$41,738, for a net revenue of \$45,062. In addition to providing a monetary dividend, the

Division of Beaches and Parks—Continued

reservation system materially enhances the operation of the Hearst-San Simeon unit and improves public relations.

Subsequent to the 1960 Budget Session these positions were authorized by the Department of Finance for inclusion in the 1960-61 fiscal year budget. However, they are indicated as new positions in the 1961-62 fiscal year budget.

As previously pointed out, the budget proposes that the Division of Beaches and Parks be financed from the General Fund instead of from the State Beach and Park Fund. Heretofore, pro-rata service charges were included in this portion of the division's budget. With the transfer of the division's support to the General Fund this pro-rata charge is no longer necessary to accommodate the state fiscal accounting procedures. Moreover, the adjustment eliminates any provision for budgeting approximately \$20,000 for accident and death claims. These two items account for the apparent decrease in support costs for the administrative section of the Division of Beaches and Parks. As a practical matter, however, when we eliminate the pro-rata charges and the accident and death claims there is an actual \$25,000 increase which is attributed primarily to the reservation system heretofore discussed. Coincidentally, the General Fund Support budget of the Division of Administrative Services of the Department of Natural Resources has been increased accordingly to compensate for the loss of Beach and Park Fund money.

Investigations made of the operations of the state park system and interrogations made of the personnel of the division clearly indicate that there is a lack of standardization in the operation of the system. At the present time, the Division of Beaches and Parks lacks a unified policy documentation system. As an example, there are no standards as to what degree of police protection should be provided inside the state parks and as another example, there is a lack of divisionwide policy for the maintenance of automotive equipment.

Moreover, the lack of operating standards makes it extremely difficult for the planning personnel to properly lay out a proposed facility. We feel that the lack of such divisionwide policy has a serious detrimental effect upon the operation and development of the state park system. *To overcome this problem we recommend that a manuals and standards unit be created within the administrative services section of the division with a compliment of one assistant administrative analyst. His job should include:*

1. Collecting the information necessary to establish divisionwide policies.
2. Preparing manuals that will document the policies governing the administration and operation of the state park system.
3. Supervising the distribution and maintenance of the system of operational manuals.
4. Undertaking administrative surveys related to the development of operational and manpower requirements.

Division of Beaches and Parks—Continued

We feel that the establishment of such a unit will enhance the effectiveness of the existing personnel complement of the Division of Beaches and Parks to the extent that funding of this position can be obtained from the seasonal help allocations which amount to \$925,683. *To effect this recommendation, page 473, line 6 should be amended to add one assistant administrative analyst, \$6,672, and a like amount be deleted from page 475, line 68.*

With the above reservations, we recommend approval of this segment of the division's budget.

Technical Services

The "technical services" section is responsible for the natural history and conservation programs, forestry services, acquisition, and the development and planning functions.

As a result of legislative action in 1960, the development and planning function was decentralized into three regional offices located in Sacramento, Monterey and Goleta, which is in Santa Barbara County. The major activity of the regional offices is to undertake the basic planning and construction of park facilities within the regions assigned to them. Each regional team works within two operational districts.

When the matter of decentralizing the planning effort was considered by the Legislature in 1960, one associate landscape architect, one junior landscape architect, and one drafting aid were at that time financed from capital outlay funds for the Redwood Highway Bypass. These funds revert at the conclusion of 1960-61 fiscal year. The positions were included in the deployment of personnel in the decentralization of the planning teams. Their presentation here, as proposed new positions, is really an accounting procedure in shifting their support from the capital outlay funds to the regular support funds. It does not represent the hiring of any additional personnel.

Additionally, the division is asking for one intermediate stenographer-clerk for the Monterey planning office and another intermediate stenographer-clerk for the Goleta planning office. Justification is based upon the stenographic workload at these two regional planning offices.

At the present time, the division has one recreational planner II position co-ordinating the state riding and hiking trail program. This position is now financed from the riding and hiking trail capital outlay budget. This fund has been depleted to the point that it now becomes necessary to transfer the funding of this position to the support budget of the division. They are, in fact, not hiring an additional position but merely undertaking an accounting adjustment.

The natural history and conservation functions of the technical services section were previously separate units. It is the plan of the Division of Beaches and Parks to combine these two units into an interpretive unit to be supervised by one person who will have a working knowledge of both the natural history and conservation programs. The division proposes to add one graphic artist to this revitalized section for the purpose of handling the type of work best done by a specialist in the field of graphic art. The division now has one such

Division of Beaches and Parks—Continued

artist assigned to this unit. An on-the-spot analysis made by this office of the workload involved indicates that the additional artist is justified.

The total cost of the additional employees including salaries, wages, operating expenses and equipment is \$44,213.

The remaining increase in the functions of the technical services section is attributed primarily to the salary increase granted by the 1960 Legislature and merit salary adjustments.

We recommend approval of this portion of the Division of Beaches and Parks budget.

District Headquarters—Maintenance and Operation.

The last administrative group is that of "Park Operations" which is supervised by a deputy chief headquartered in Sacramento. In turn, this last group is divided into "district headquarters" and "field services."

The State is divided into six districts for administrative purposes. Each district headquarters office is supervised by a state park ranger VI, commonly referred to as a district superintendent who is responsible for the operation and maintenance of all the state park units within his district. The district offices are located at Eureka, Santa Rosa, Stockton, Monterey, Goleta and San Clemente. Support of the deputy chief—operations, his immediate staff, the concession officer and his staff, and the personnel assigned to the district offices, is also obtained from this section of the budget.

It will be noted that there is a \$48,340 or 5.0 percent decrease from the 1960-61 fiscal year which is primarily attributable to a decrease in operating expenses, and the fact that the decentralization concept enacted by the 1960 Session reduced the number of personnel assigned to the district offices.

We recommend approval of this segment of the Division of Beaches and Parks budget as presented.

Field Services—Maintenance and Operation

The actual operation of the 165 administrative units of the state park system (exclusive of Squaw Valley) is covered in this portion of the division's budget.

In accordance with the policy of the Department of Finance, the park-use fees and the concession charges are indicated as reimbursements instead of revenue and accounted for at this location of the budget which explains the apparent decrease in the costs of operating the state park system.

It is proposed that a total of \$5,753,373 will be expended in this function during the 1961-62 fiscal year which is \$275,686 more than the 1960-61 estimated expenditures. Of this amount \$145,180 is attributed to salaries and wages for proposed new positions. The remaining increases are in operating expenses and merit salary adjustments. The most significant item is a \$45,000 increase for conservation camp inmate work crews in the redwood parks which has been brought about by the recent construction of a new conservation camp in Humboldt County.

Division of Beaches and Parks—Continued

The matter of service fees and concession fees has been the subject of much discussion in previous budget analysis. We have pointed out in the past that the service fees were in many instances ridiculously low or virtually nonexistent. During the last year the Division of Beaches and Parks has re-evaluated its service fee structure and made a number of adjustments. As a result there has been a substantial increase in service fee revenue. The actual service fees collected in the 1958-59 fiscal year amounted to \$1,081,096. It is estimated that during the 1961-62 fiscal year these fees will amount to \$2,585,000. Excluding service to employees and amounts chargeable to capital outlay appropriations under the reimbursements accounting, the reimbursements due to service fees, concession, sale of fuel and miscellaneous reimbursements amount to \$2,838,135, or 49.4 percent, of the cost of supporting the operation of the field units of the state park system and about 31 percent of the total operating budget of the division.

The division proposes to add a total of 34.1 positions and to abolish one position. They are distributed as follows:

Positions proposed for opening and operating new and enlarged units.

Ocean Beach State Park

- 1 state park ranger III
- 2 state park rangers I
- 3 state park attendants
- 20 man-months of seasonal park aid
- 1 lifeguard supervisor
- 25 man-months seasonal lifeguard

McGrath Beach State Park

- 1 state park ranger II
- 1 state park ranger I
- 2 state park attendants
- 24 man-months seasonal park aid
- 6 man-months seasonal lifeguard supervisor
- 24 man-months seasonal lifeguard

Woodson Bridge State Park

- 1 state park ranger II
- 1 state park ranger I
- 6 man-months seasonal park aid

Thornton Beach State Park

- 1 state park ranger I
- 1 state park ranger attendant
- 6 man-months seasonal park aid
- Staffing for existing areas on basis of increased workload and completed facilities.

Patrick's Point State Park

- 1 state park attendant
- 1 intermediate typist-clerk
- 6 man-months seasonal park aid

Angel Island State Park

- 1 state park attendant

Folsom Lake State Park

- 2 state park attendants

Jack London Home Historical Monument

- 1 historical monument guide

Columbia State Historical Monument

- 1 historical monument guide

Hearst-San Simeon State Historical Monument

- 1 intermediate typist-clerk

Division of Beaches and Parks—Continued
Carpinteria Beach State Park

- 1 lifeguard supervisor
Benicia Beach State Park
- 6 man-months seasonal park aid
Calaveras Big Trees State Park
- 6 man-months seasonal park aid

We recommend that this section of the Division of Beaches and Parks budget be approved as submitted, with the exception of the reduction discussed under Administration.

Equipment

The overall equipment budget for the Division of Beaches and Parks is \$342,034 for the 1961-62 fiscal year. This represents a \$125,790, or 26.9 percent, decrease from the estimated expenditures in 1960-61. Exclusive of the moneys budgeted for equipment at the Squaw Valley State Park, this compares quite favorably with the actual 1959-60 fiscal year expenditures of \$305,875.

A major share of the reduction is due to the closer scrutiny being given to the equipment budget by the chief of the Division of Beaches and Parks. However, there remains considerable room for improvement in the management of the division's equipment complement.

A scrutiny of the records of the Department of Natural Resources indicates that the use being given to much of the division's equipment is extremely low. The following table indicates some examples of the types of equipment, where they are assigned, and the hours of use between July 1, 1959, to June 1, 1960. When comparing these hours of usage, it should be borne in mind that the practical maximum use that a piece of equipment could receive is about 1,500 hours a year.

<i>Type of equipment—Assignment</i>	<i>Hours of use</i>
Asplund Chipper, MacKerricher Beach	30
Evans Sand-sifter, Stinson Beach	43
International Farmall Tractor, Turlock Lake	23
Ford Tractor, Brannan Island State Park	270
Hough Loader, District 3 headquarters	141
International Farmall Tractor, Turlock Lake	23
Gravelly Tractor, Columbia Historic	105
International TD-9 Bulldozer, District 4 headquarters	65
Scope-mobile, Big Basin Redwoods	34
Caterpillar D-6 Tractor, Big Basin Redwoods	241
Asplund Chipper, Big Basin Redwoods	191
Asplund Chipper, Big Basin Redwoods	168
Caterpillar D-4 Tractor, District 5 headquarters	45
John Deere Utility Tractor—La Purisima Mission	68
Fordson Tractor, Hearst-San Simeon	150
Caterpillar D-2 Tractor, Hearst-San Simeon	53
Ford Tractor, Morro Bay	77
Caterpillar D-4 Tractor, Millerton Lake	140
Farmall Cub Tractor, Millerton Lake	59
John Deere Tractor, Millerton Lake	195
Galion Road Grader, Millerton Lake	298
Cement Mixer, Millerton Lake	21
Scope-mobile, Carpinteria Beach	35

Division of Beaches and Parks—Continued

<i>Type of equipment—Assignment</i>	<i>Hours of use</i>
Ford Beach Cleaner, Carpinteria Beach.....	34
Devore Power Mower, Millerton Lake.....	86
Scope-mobile, Hyton Beach.....	162
Fitchburg Chipper, Cuyamaca Rancho.....	12
Caterpillar D-2 Tractor, District 6 headquarters.....	200
Caterpillar TD-6, District 6 headquarters.....	429
Evans Sand-sifter, District 6 headquarters.....	206
Oliver Skip Loader, Anza-Borrego Desert.....	173
Caterpillar D-6 Tractor, Huntington Beach.....	122
Beach Cleaner, Huntington Beach.....	20
Midgi-Krawl Tractor, District 6 headquarters.....	0 (Awaiting repairs the entire year)

In view of the above, we recommend that the division undertake a review of its entire equipment complement and that a realistic equipment plan be developed so as to insure a proper deployment and maximum use of the equipment.

We recommend the deletion of \$4,518 from the equipment budget (page 476, line 40), as follows:

Delete one typewriter for Patrick's Point State Park..... \$204

According to the inventory of the Division of Beaches and Parks, Patrick's Point State Park already has a typewriter. Justification for the additional typewriter is that the budget provides for a full-time intermediate typist-clerk. It is standard practice to ask for a new typewriter, desk and other equipment for a new clerical position. In this case, however, the clerk has already been employed for a number of years, already has the desk, the typewriter, and other operating expenses.

Delete one lawn mower with attachments for Sonoma Coast..... \$478

The 1960-61 fiscal year budget provided funds to purchase such a piece of machinery except that it would not have an electric generator nor a water pump attached.

Delete one portable AC-DC 1,500-watt portable generator for Pfeiffer Big Sur State Park..... \$365

This is a replacement item. It should be pointed out that up until quite recently the division had to generate its own electricity at this location. However, there is now commercial electric service to the entire park (all of its buildings, all of its facilities). Therefore, there is no longer the need for this portable generator.

Delete one electric sander for Seacliff Beach..... \$185

The current year budget gives such a sander to the Santa Cruz area beach administrative unit, of which Seacliff Beach is a part. Proper deployment of the sander within this group of state beaches will eliminate the need for this item.

Delete one wheel type skip loader tractor for Carpinteria Beach State Park..... \$3,286

Division of Beaches and Parks—Continued

The equipment that the division desires to replace was acquired in 1949 and since that time has been used an average of 54 hours a year. The original cost of the equipment was \$3,100.

It should be pointed out that this park unit also has a scoopmobile. Moreover, the district, within which this segment of the state park system is situated, has considerable equipment that could be better distributed to increase its use.

Squaw Valley State Park

The site of the VIII Olympic Winter Games at Squaw Valley in the Lake Tahoe area of Placer County has been integrated into the state park system. All of those buildings, facilities and lands which are owned or under the control of the State of California in Squaw Valley have been turned over to the Division of Beaches and Parks as a unit of the park system. This phase of the Division of Beaches and Parks budget provides for the support of the Squaw Valley State Park.

Before paying specific attention to the operation of the Squaw Valley State Park, it might be well to review briefly the most recent history of this unit of the system.

Just prior to the games, the Organizing Committee found that it might not have sufficient funds to put the games on because ticket sales were slow and winter snow conditions might further reduce attendance. The Olympic Commission at the 1960 Budget Session of the Legislature requested underwriting of budgeted expenses to the extent of an additional \$1 million. The California Olympic Commission which had been created by Chapter 124 of the Statutes of 1955 to stage the VIII Winter Olympic Games of 1960 had entered into contracts for that purpose with the nonprofit corporation known as the Organizing Committee of the VIII Olympic Winter Games at Squaw Valley, California. These contracts obligated the Organizing Committee to perform the services necessary to stage the games and required the commission to make periodic payments to the Organizing Committee to compensate for its services.

There were several contracts between the commission and the organizing committee including the so-called master agreement dated June 20, 1957, and the various modifications and addenda thereto. Addendum 8 to the master agreement, which was dated January 16, 1960, contemplated during the six-month period commencing January 1, 1960, and ending June 30, 1960, budgeted expenditures in the amount of \$557,109 by the commission itself and budgeted expenditures by the organizing committee, for which the commission was obligated to reimburse the commission, in the amount of \$2,254,850.

The addendum recited that the entire payment to the organizing committee for its service during the six-month period was expected to be made available from ticket revenues and revenues from other sources. Most of the revenues of the organizing committee under the contracts were to be paid over to the commission and made available to meet its obligations and the addendum further provided that the commission was to have no liability to pay for the organizing committee's services in excess of the amount of those revenues. Through

Division of Beaches and Parks—Continued

enactment of Senate Bill No. 1 of the first extraordinary session, the Legislature appropriated the sum of \$1 million to provide a contingency fund that was to enable the commission to meet its obligations to the organizing committee thereby assuring that the VIII Winter Olympic Games would be held according to schedule.

The \$1 million was to be available solely for the purpose of underwriting the approved financial ceilings after use of all other revenues and placed budgetary and allocation control in the hands of the Director of Finance. The funds thus appropriated were available up to and including June 30, 1960, but were not available thereafter. The act directed that the Department of Finance and the Auditor General were to make an immediate audit of all the receipts and expenditures of the commission and the organizing committee. At the time this analysis is written, the final report of the Auditor General had not yet been published.

However in testimony before the Senate Fact Finding Committee on Natural Resources, the Auditor General indicated that the organizing committee authorized expenditures in excess of available revenues, including the Emergency Fund appropriation, by approximately \$120,000. The organizing committee has proposed to sell equipment to the State to pay these debts, but there is a legal question as to whether this can be done. Whether the state agencies which might offer to purchase this equipment, such as the Department of Natural Resources, can and should do so with funds budgeted for other purposes, is a matter which should be studied carefully before approval is given, assuming that the purchase is legally possible.

In addition to the amounts which may have been expended or obligated in excess of actual appropriations or revenues, the Auditor General reported to the Senate committee that the Olympic Commission, with the approval of the Department of Finance, overpaid the organizing committee in the amount of \$585,000, money which should not have been transferred under the terms of Senate Bill 1.

The full facts as to this reported overpayment presumably will be disclosed in the final audit, and it would be our recommendation that no action be taken on this matter until a complete audit and accounting has been made.

There are two points, however, that the Legislature will probably be asked to consider:

1. Since the commission exceeded its budget appropriations, for which there was no statutory approval, the members of the commission may request the Legislature to ratify their actions.
2. Since the State of California organized the Olympic Commission for the purpose of staging the VIII Winter Olympic Games, it would appear that the State will be asked to acknowledge the contracts entered into by the commission and the committee for the goods and services which have not yet been paid for. In this light, there is a good possibility that the Legislature will be requested to appropriate additional moneys during the coming session, to meet these unpaid bills.

Division of Beaches and Parks—Continued

At the conclusion of the VIII Winter Olympic Games, the entire facility, except those portions under private ownership, was turned over to the Division of Beaches and Parks. Up until this time, the Department of Natural Resources had apparently made no plans for administering the facility. The Governor's Budget for 1960-61 merely contained an item for \$1 million for the future development and operation of the state park. During the budget session, this was revised to \$991,043 which was to provide for additional support, real property acquisition and development. At that time, no plans were submitted to the Legislature as to what would be done.

On July 23, 1960, the Department of Natural Resources entered into a master concession agreement with Mr. William A. Newsom and John Pelosi of San Francisco. The contract runs for 27 years and 10 months, ending on May 22, 1988, which termination is concurrent with the lease between the State of California and the United States Forest Service for the government lands upon which most of the state park is situated.

The concessionaire is under an obligation to pay the State of California certain percentages of monthly gross receipts received. They range from 5 percent to a maximum of 20 percent on room rentals; 4 to 8 percent on food; 10 percent on skating tickets for the ice arena; 10 to 15 percent on the gift, curio, art and souvenir sales; 3 to 6 percent on liquor; 4 to 6 percent on clothing; 4 to 5 percent on sporting goods; 1 percent on vending and other coin operated machines; 2 percent on tobaccos, drugs and other sundry items; 10 to 15 percent on rentals; 5 percent on the barbershop and the beauty parlor; 10 percent on the massage and sauna rooms; 7½ to 15 percent on the bunny slope ski lifts; 1½ to 5 percent on groceries; 5 to 10 percent on admission tickets to the ice arena; 10 percent on ski lessons; and 40 percent on parking.

Additionally, the concessionaire is obligated to perform the following:

1. To pay for the cost of all work that may be necessary for the installation of trade fixtures, equipment, furnishings and other facilities necessary for the conduct of the concession.
2. To pay for the cost of the upkeep and maintenance of the interior of all structures, fixtures and equipment, to the satisfaction of the Division of Beaches and Parks.
3. To pay for the removal of all snow on all roads and parking areas, within the confines of the concession premises.
4. To administer the collection of vehicle parking fees, which are set by the Department of Natural Resources.
5. To pay all charges for public utilities service, except power and fuel used in the operation of the heating and refrigeration plants.
6. To expend the sum of \$150,000 for fixtures, furniture, furnishings, and other improvements on the premises within one year from the date of the making of the concession agreement.
7. To dispose of all rubbish and garbage to the satisfaction of the Division of Beaches and Parks.
8. To keep the ice arena available for public use.

Division of Beaches and Parks—Continued

The contract places the State of California under an obligation to provide the following:

1. The upkeep and maintenance of the exterior of all structures, the structural stability of all structures, and the exterior portions of the sewage disposal and water systems.
2. The operation and maintenance of the ice plant, the ice arena refrigeration plant and the sewage and water systems.
3. Fire protection, law enforcement services and drainage maintenance within the confines of the state park.
4. Heat and hot water to all structures in which there is equipment for providing such heat and hot water.

It should also be borne in mind that the California Olympic Commission entered into an agreement with the Union Oil Company for a service station located on state-owned property within the confines of the state park and this agreement has been assigned to the Department of Natural Resources. The lease agreement provides for an annual minimum rental fee of \$1,800 or one cent per gallon of gasoline sold, whichever sum is the larger. The agreement with the Union Oil Company expires September 10, 1979.

Moreover, the Olympic Commission entered into a number of contracts with the Squaw Valley Development Company, one of which has been assigned to the Department of Natural Resources. It was entered into in August of 1958 and provides for the right to operate the beginners lift and a ski school area in the beginners area for a 30-year period and to operate until June 30, 1968, the Papoose Ski Lift and Squaw Peak Ski Lift No. 2 which are owned by the State of California. The company has agreed to pay a basic rental and an additional rental for the use of the ski lifts, the beginners lift and the ski school area. The formula is very complicated and as of the time this analysis went to print, no revenue had been received from the Squaw Valley Development Company due to a controversy between the Organizing Committee and the Squaw Valley Development Company. The commission also entered into an agreement with the U.S. Forest Service for a 30-year term lease of approximately 1,000 acres of national forest land.

A recent inspection of the Squaw Valley area made by representatives of this office indicates that the concessionaire is making progress and is expending reasonable efforts toward providing good services at reasonable costs to the general public.

The concessionaire has made a number of alterations in the Olympic Village with a view to providing saleable hotel accommodations. At his own expense and with the approval of the Division of Beaches and Parks, he has installed a swimming pool, revamped the dining facilities, refurbished the bathroom facilities in the dormitories and made a number of other changes.

To date, the type of accommodations provided by the concessionaire (no private baths) have been favorably accepted by the general public. At this time, therefore, there appears to be no justification for expend-

Division of Beaches and Parks—Continued

ing the \$2,100,000 proposed by the Division of Beaches and Parks to provide hotel type accommodations. The type of facilities the concessionaire is now providing do not compete with the other hotel operators in the locality. The type of accommodations the Division of Beaches and Parks proposes to build for the concessionaire would compete directly with the other hotel accommodations in the valley. *In this light, we would recommend that the State expend no additional capital outlay funds in the park until the need has been clearly established.*

The 1961-62 fiscal year budget provides for an expenditure of \$400,123 for support of this unit of the state park system, which compares with an estimated expenditure of \$454,097 in the current fiscal year.

The decrease is primarily due to a reduction of \$36,879 in operating expenses and \$33,965 for equipment purchases, and an offsetting increase of \$24,070 in salaries and wages. It is to be noticed, however, that the printed budget indicates that the division expects a reimbursement from the concessions of \$100,000 which gives the impression that there is a \$150,774 reduction in the support costs of the park, when, in fact, there is merely a \$46,774 decrease. Of additional interest, is the point that the 1960-61 fiscal year budget estimated a \$350,000 income from Squaw Valley which, according to the 1961-62 fiscal year budget has failed to materialize. From our observations, it is unlikely that the \$100,000 anticipated in the 1961-62 fiscal year will materialize.

The division proposes to add one institutional fire marshal, three institutional firemen and 0.3 institutional fire fighters for a total cost of \$21,177 for providing the fire protection in the state park. At the present time, the Division of Forestry is providing the fire protection as a continuation of its contract with the Organizing Committee. In a presentation to the State Park Commission, the Division of Forestry had estimated that they would provide the fire fighting services to the park at a cost of over \$100,000 a year. The division also is requesting \$18,000 for a fire truck. It is, therefore, quite apparent that it is much cheaper for the Division of Beaches and Parks to provide its own fire protection. This also might eventually lead to the establishment of a public fire district to which the division could be a party at still further savings.

There has been a reduction in operating expenses from \$205,569 to \$168,690. This is primarily attributed to the reduction in recurring maintenance of facilities from \$110,000 to \$64,522. On this subject, it should be pointed out that the construction of the facilities at Squaw Valley were in many cases below acceptable standards for more or less permanent facilities. As a result, the maintenance problem at the facility is quite serious. If it were not for this, it is quite probable that the staffing at the state park could be reduced since the concessionaire is charged with virtually the entire operation of the facility except for the outside maintenance of the buildings, operation of the sewage system, water plant, the refrigeration system of the ice arena and the heating system.

Division of Beaches and Parks—Continued

Under equipment, the division proposes the expenditure of \$46,035, of which \$18,000 is for a fire truck, which we recommend be approved. The remaining \$28,035 is for a \$25,000 piece of snow removal equipment and a \$3,035 pickup.

We recommend deletion of the snow loader (\$25,000) and the pickup (\$3,035) for the following reasons (budget page 477, line 19, delete \$28,035).

The agreement with the concessionaire for the operation of the facilities requires that the concessionaire provide all snow removal within the confines of the concession premises. This includes all but the maintenance yard which is about one acre in size. The concessionaire has made a subcontract with a general contractor to provide this snow removal and at the time representatives from our office last visited the park, the concessionaire had the necessary equipment on the scene. There is, therefore, no justification for the purchase of this unit.

At the present time, the park has 19 pieces of automotive equipment, of which four are pickups and five are jeeps.

The pickups are used as follows:

One by the security personnel between 4 p.m. and 8 a.m., not during the day. The second is used by the sewage plant operator, who works between eight and five. The third is used by the electrician who works between eight and five. The fourth is used by the boiler engineers on a 24-hour basis.

The jeeps are used as follows:

One is used by the boiler people in addition to the pickup. The second is used to pick up garbage which, incidentally, is a function of the concessionaire. The third is used by the maintenance people. Two jeeps are sitting in a warehouse unused. It appears that through a proper planning of the use of the pickups and the jeeps that the division does not need the additional pickup at Squaw Valley.

Except as indicated above, we recommend approval of the budget as submitted.

**Department of Natural Resources
DIVISION OF BEACHES AND PARKS**

ITEM 181 of the Budget Bill

Budget page 478

**FOR SUPPORT OF THE ROADSIDE REST PROGRAM
FROM THE GENERAL FUND**

Amount requested	\$12,500
Estimated to be expended in 1960-61 fiscal year	12,500
Increase	None
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

This budget item provides for the maintenance of the 10 roadside rests located outside of park boundaries and managed by the Division of Beaches and Parks.

Division of Beaches and Parks—Continued

In line with previous recommendations made by this office and reflecting expressions by the Legislature, the division has constructed a number of roadside rests of minimum type facilities on State Beach and Park property which are maintained by the local Beach and Park personnel. This latter procedure provides the objectives of the Roadside Rest Program at a minimum construction and maintenance cost to the State.

We recommend approval of this item as submitted.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 182 of the Budget Bill

Budget page 479

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

Amount requested	\$18,936,910
Contribution to State Employees' Retirement System	1,120,598
Total	\$20,057,508
Estimated to be expended in 1960-61 fiscal year	18,836,624
Increase (6.5 percent)	\$1,220,884
TOTAL RECOMMENDED REDUCTION	\$974,018

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Delete 34.4 forest fire fighter foremen	\$216,783	483	33
Delete 22.5 forest fire fighter foremen	136,168	483	40
Delete 51.2 forest fire fighters	197,531	483	36
Delete 14 camp crew cooks	61,028	483	37
Delete 76.3 camp crew cooks	332,508	483	26
Delete equipment	30,000	483	66

GENERAL SUMMARY

The Division of Forestry is the administrative unit of the Department of Natural Resources which is responsible for managing the State's overall forestry program. This phase of the division's budget provides moneys for: (1) wildland fire protection within those areas directly protected by the State, (2) management of the state forest lands, (3) co-ordination of the statewide fire prevention effort, (4) the Natural Resources phase of the conservation camp program, (5) enforcement of the Forest Practices Act, and (6) the service forestry program.

Additional functions such as providing fire protection on state responsibility lands lying within counties providing their own fire protection services and private lands lying within the national forests, co-operation with the United States Department of Agriculture in the control of white pine blister rust, the forest insect control program, the wildland vegetation and soil mapping program and the forest research program are considered under other budget items.

Division of Forestry—Continued

The primary responsibility of the Division of Forestry is the protection of wildland areas from fire. The early laws providing for authority and leadership in the civil job of fire protection were directed toward local subdivisions of government, and the local officials such as sheriffs, county surveyors, road masters, and local fire wardens appointed by the State Forester managed the program. The burden of fire protection costs at that time was borne by the local governments.

In 1905 the Legislature created the State Board of Forestry and the Office of State Forester to take such action as is authorized by law to prevent and extinguish forest, brush and grass fires.

Through enactment of the Weeks Act in 1911, Congress provided for federal subventions to those states having a system of fire protection on the forested watersheds of navigable streams. It was not until 1919, in the emotional stress of World War I, that California qualified for the federal aid. In 1924, through enactment of the Clark-McNary Act, Congress expanded the Weeks Law to provide federal subsidies to cooperating states for forest fire protection and suppression on timbered and cut-over land with a view to the protection of forest and water resources. The act required that the state have one agency to administer the federal subvention. Any similar work qualifying for federal aid performed by a local government had to be certified by a designated state official, and California so designated the State Forester.

The first organized fire crew was established in 1930 followed by the development of the Civilian Conservation Corps during the depression years. At one time, about 6,000 C.C.C. fire fighters were under the supervision of the State Forester.

Natural Resources Code Sections 4000.2 et seq., now provide that the State Board of Forestry shall classify the lands of the State (without regard to any classification of lands made by or for any federal agency or purpose) with the view to determining areas thereof in which the financial responsibility of preventing and suppressing fires shall be primarily the responsibility of the State. The prevention and suppression of fires in all areas not so classified is primarily the responsibility of local or federal agencies as the case may be. The Board of Forestry is required to include within the areas in which it has primarily financial responsibility the following lands:

1. Lands covered wholly or in part by forests or by trees producing or capable of producing forest products.
2. Lands covered wholly or in part by timber, brush, undergrowth, or grass, whether of commercial value or not, which protect the soil from excessive erosion, retard runoff of water or accelerate water percolation, or such areas or sources of water which is available for irrigation or for domestic or industrial use.
3. Lands in areas which are primarily used for range or forest purposes which are contiguous to the lands described above.

From this it is apparent that the California Legislature has assigned the Division of Forestry the function of preventing and suppressing

Division of Forestry—Continued

wildland fires, whereas the function of providing structural fire protection has from the beginning of California's government been the responsibility of local government.

This conclusion is substantiated by the various statutes permitting establishment of municipal fire departments, local fire districts and county fire districts. It should also be pointed out that the Legislature has gone so far as to make provision for a local governmental agency to provide forest and brush fire control through the establishment of a metropolitan fire district which would exclude the territory from the Division of Forestry responsibility. However, no metropolitan fire districts have been established thus far.

The reclassification studies of the division's geographical responsibilities undertaken during the summer of 1958 were approved by the Board of Forestry in August of 1958 and became effective on January 1, 1959. This reclassification was undertaken, according to the Division of Forestry, because of a reinterpretation of the law which permitted the boundaries to be extended to roads, pipelines, streams or other recognizable landmarks. Prior to this reclassification, many of the boundaries were almost impossible for field personnel to recognize and the reclassification merely extended the boundary to an easily determined line such as a road, railroad right-of-way, or pipeline. However, in many instances the boundaries were extended far beyond a recognizable landmark to include territory otherwise failing to qualify for state protection.

Of interest is the fact that prior to the 1958 reclassification the division was responsible for about 23.5 million acres, but has now assumed responsibility for about 29.8 million acres which is a 26.8 percent increase in geographical responsibility. There was a corresponding increase in the number of fires that the Division of Forestry combated.

Another important consideration under the general heading of geographical responsibility of the Division of Forestry is the fact that in many localities the primary land use is changing from that of a wildland area to a residential, industrial or agricultural community. Due to this evolution the division's wildland fire control activity is decreasing relatively and its non-forest-fire activity is increasing. In still other localities the recent development of recreational facilities is encouraging residential subdivisions with a resultant effect upon the division's activities.

A large number of the unincorporated communities have discharged their responsibility by organizing fire districts to provide agricultural and structural fire protection. In still other areas, the local people have failed to provide for their own non-wild-fire protection, hence, a serious tax inequity exists between localities providing their own fire services through local taxation and those established communities being served by the Division of Forestry through General Fund support. There are two ways of remedying this tax inequity:

Division of Forestry—Continued

1. Provide a state subvention to all fire control organizations such as city fire departments, county fire departments and rural fire departments, or

2. Restrict the Division of Forestry's fire suppression activities to wildland fire alone, except to structures that are comparatively isolated from an established community where it would be unreasonable to expect the local people to establish a fire district.

By statutory authority vested in the division, it is empowered to contract with local governmental agencies to provide structural and agricultural protection services. The division has entered into a number of contracts with counties and lesser governmental subdivisions to provide overall fire protection services as authorized by the Public Resources Code. These are referred to as "Schedule A" counties. Generally, the services are on a year-long basis. The Division of Forestry employs the personnel who are placed on the state payroll. The extent of services rendered depends upon the desire of the local officials, and the Division of Forestry charges an administrative cost of about 6 percent for handling the contractual services. Another arrangement is known as "Schedule C" which supplements the Schedule A. This operation is also administered by the Division of Forestry, but no monies pass through the State Treasury. It appears to be to the advantage of the State of California to encourage these contractual arrangements. Primarily, it eliminates the tax inequities previously discussed and it provides a fire service to the community on a year-round basis with equipment and men specifically trained in structural fire control. Moreover, it provides a well-trained ready reserve for state fires. Additionally, the contractual arrangements give the Division of Forestry an opportunity to retain additional year-round personnel instead of seasonal personnel and gives the fire organization personnel a productive function during the nonwildland fire season.

It should also be pointed out that there are substantial holdings of private lands within the boundaries of the national forest in California. At the present time, the State of California assists with the control of wildland fire on these private lands through contractual arrangements with the United States Forest Service, in which the State pays the U.S. Forest Service a sum necessary to provide an equal degree of wildland fire protection on the private lands within the national forest boundary as the Division of Forestry provides to lands which are directly protected by the State. It is our understanding that California is the only state government which provides such assistance to the United States Forest Service.

In the past few years, there has been a definite movement on the part of the Division of Forestry to realign the so-called pay boundaries between the national forests and the Division of Forestry areas. Experience has shown, however, that when the Division of Forestry assumes control over areas previously protected by the U.S. Forest Service, the cost to the State of California is materially increased. There are several localities in the State in which the division contemplates termination

Division of Forestry—Continued

of its contractual arrangement with the U.S. Forest Service so as to provide direct state protection. One such locality is in the Hazelton Springs territory of Lassen County. Another locality is in Plumas and Lassen Counties, surrounding Lake Almanor. A similar proposal is being considered in northern Inyo and southern Mono County. In view of the fact that the areas under consideration are substantial in size and would represent a considerable increase in the division's direct responsibility area, and also at the present time the U.S. Forest Service is able to provide fire services at lower cost, any further acquisition of state responsibility area from those lands now directly protected by the United States Forest Service should be undertaken only following an extensive and comprehensive survey of the individual locality under question and it should be objectively shown that it will be to the financial benefit of the State of California to acquire the additional fire protection workload.

A great deal of interest has been shown in the use of aircraft on wildland fire control. It has had a substantial effect on the modern-day wildland fire control organization and its techniques. The helicopter has demonstrated an ability to rapidly transport fire fighters to the fire and the aerial tanker has demonstrated its ability to retard the spread of the fire under certain conditions. But, by the same token, both the helicopter and the air tanker have shown themselves to be very expensive items and unless they are used with discretion and in close relationship with the ground forces the cost becomes prohibitive.

The question is often presented as to whether the State should own its own airplanes, have the pilots on the payroll and maintain the usual airport facilities needed for an air force or whether the State of California should contract for the use of the airplanes and require that the contract provide the pilots, ground crews and the ground facilities. It has been demonstrated that the aerial tanker can be used economically only for dropping aerial retardants and supplies. In the northern part of the State its use is restricted to a five- to six-month period, whereas, in the southern part of the State its use is generally extended to seven or eight months. For the remainder of the year, the state-owned air tanker would remain idle, whereas, a private contractor could remove the aerial retardant equipment from the airplane and use it for other endeavors such as crop-dusting. In view of this limited use of the aerial tanker, we would strongly urge that the State continue its present policy of contracting with private operators for the air tanker, air tanker pilot, the ground crew and the usual airport facilities.

Mention should also be made of the conservation camp program. These camps are administered on a co-operative basis between the Division of Forestry and the Conservation Division of the Department of Corrections. The Department of Corrections assigns certain inmates to the conservation camps and the Division of Forestry provides the work project supervision. Generally speaking, the conservation camp program is providing the Division of Forestry and other wildland fire control organizations in California with a highly mobile manpower

Division of Forestry—Continued

pool. The people who have worked intimately with the conservation camp program have praised the concept and its application. There are several basic considerations, however, to which attention should be given with respect to the conservation camp program as it is employed by the Division of Forestry. In some of the isolated localities, the inmates are being used as members of fire crews for initial attack. The foremen and assistant rangers supervising these crews state that the arrangement is very good.

We feel that the conservation program concept should be confined as much as possible to the conservation field such as fire control and hazard reduction. Additional emphasis should be placed on assignments such as the clearing of fuel breaks which are difficult to accomplish by contract labor instead of such things as furniture repair.

ANALYSIS

The 1961-62 fiscal year budget proposes a total expenditure of \$23,548,733 which is an increase of \$1,232,064 or 5.5 percent over the estimated 1960-61 fiscal year expenditures. Of the total amount, \$22,340,513 will come from the General Fund which is \$1,302,263 or 6.2 percent more than is estimated will be expended during the 1960-61 fiscal year.

Federal funds from the Clark-McNary Act are budgeted to be \$1,108,160 which is \$39,840 or 3.5 percent less than the moneys received from the federal government during the 1960-61 fiscal year. This decrease is primarily attributable to the fact that the total moneys available under the Clark-McNary Program are distributed to the states according to a formula which considers the state government's activity in the field of wildland fire protection and the service forestry program.

During recent years the Southern states have stepped up their participation in these programs and therefore have qualified for a greater share of the overall Clark-McNary funds.

The remaining \$100,000 is to come from the State Lands Act Fund and is used in the forest research program which is contemplated under another budget item.

It should also be pointed out that a portion of the support of the Division of Forestry comes from the Emergency Fire Suppression and Detection Fund, which is also discussed in a subsequent budget item.

This specific item of the budget provides for the support operations of the Division of Forestry. It proposes the expenditure of \$20,057,508 which is \$1,220,884 or 6.5 percent more than it is estimated will be expended during the 1960-61 fiscal year. Of the total \$1,120,598 will be contributions to the State Employees' Retirement Fund. The increase can be broken down to a \$1,159,555 or 7.4 percent increase in salaries and wages which is primarily due to 221.1 new positions. The operating expenses have been increased by \$312,910 or 7.1 percent which is generally attributable to increases throughout the entire range of the operation expense functions. However, there has been a reduction of \$266,104 or 19.5 percent in proposed equipment expenditures.

Division of Forestry—Continued

The two most important budget problems facing the Division of Forestry today are the fire prevention phase of its responsibilities and the so-called "working conditions" problem.

Fire Prevention

The objective of a sound fire protection program is to eliminate all preventable fires. The prevention of fires is a job that must receive a high priority for all fire control personnel. Next to fire suppression it should be the highest priority job of the fire control organization.

The fiscal implications surrounding a fire prevention program are evident. The more fires that are prevented, the less moneys we must expend for suppression. Of greater importance is the fact that a fire that is prevented does not destroy the natural resource that the State is striving to conserve.

Our review of the State's fire prevention program indicates that there are four major elements which should be brought to the attention of the Legislature at this time.

Slash Disposal

A wildland fire is suppressed generally by removing the inflammable material from the path of the fire. When the inflammable material is removed or diluted prior to the time of the fire there is less chance of the fire starting and its rate of spread is greatly decreased. In this light, it has been recognized by professional foresters for a long time that logging slash should be treated in such a manner as to most effectively reduce the fire potential that it presents.

To appreciate the seriousness of the slash condition it would be well to look at how much slash acreage is created annually in California. Reasonably fair estimates indicate that logging on private lands each year creates in the vicinity of 192,000 acres of slash.

We can assume that this area of 192,000 acres is a potential problem. However, it must also be noted that slash from previous years also constitutes a hazard lasting a considerable number of years. Heavy accumulations of logging slash seriously impede the effectiveness of a fire suppression organization in controlling wildland fire burning over previously logged territory. The matter of logging slash has been the subject of much controversy for many years. Governor Pardee first brought it to official attention of the State in 1903, when he spoke of the danger of slash in his inaugural message. Studies of the problem were conducted in 1904 in co-operative projects among the State, the federal government and lumbering companies. The elimination of slash through the use of fire was determined to be the only practical solution at that time. This formed the basis of legislation adopted in 1905 and amended in 1911 requiring lumber operators to burn slash under state direction.

United States Forest Service personnel advocated piling and burning logging slash which was expensive. Other people recommended broadcast burning which was destructive to young growth timber when not properly managed, and still other foresters advocated com-

Division of Forestry—Continued

plete fire exclusion accompanied by more intensive protection. About 1926, the lap and scatter method was challenging other methods in the pine territories. Gradually, slash burning was becoming less acceptable and was not actively promoted by the State.

In 1947, with the enactment of the Forest Practices Rules Act, the State once more became directly involved in slash disposal. Under that act, there are four Forest Practices Act districts, namely the Redwood Forest District, the North Sierra Pines Forest District, the South Sierra Pines Forest District and the Coast Range Pine and Fir Forest District. There is a forest practices committee established for each district, made up of four representatives from the timber industry. It is their job to promulgate the Forest Practices Act regulations which are in turn enforced by the Division of Forestry. Even in 1947 there remained considerable difference of opinion as to how best to solve the slash problem and, as a result, the Forest Practices Act rules as established by the committees have not been too effective nor susceptible of easy enforcement.

Subsequent to that time, the Pacific Southwest Forest and Range Experiment Station has undertaken a series of studies on slash disposal. These studies have contemplated the economic costs involved as well as the effect upon the fire control problem.

Representatives from the logging industry have publicly stated that the Forest Practices Act regulations as promulgated by the committees are in need of revision. These statements coupled with the fact that the experiment station has developed sounder slash disposal procedures and the fact that the fire control people on the ground feel that the slash accumulations are one of the most serious problems confronting them, leads us to the conclusion that now is the time for the Forest Practices Act committees to completely review the slash disposal and other fire prevention aspects of the Forest Practices Act regulations.

It is our belief that the legislation now in force is adequate, but it has not been sufficiently implemented by the Forest Practices Act committees. *In view of the above, we recommend that a resolution be adopted by the Legislature directing the Forest Practices Act committees to completely review the Forest Practices Act regulations promulgated by the committees with the view of strengthening the fire prevention provisions thereof.*

Fireproofing of Structures in Wildland Areas

In reviewing the activities of the agencies responsible for suppressing the wildland fires in California, we find that one of the major problems facing them today is the fact that many, if not most, of the structures, such as houses and other buildings, in the wildland areas have not been reasonably "fireproofed." This causes the wildland fire fighter to divert his attention from the control of the wildland fire itself to the direct protection of the structures. As the result, the effectiveness of the fire control organization is considerably diluted and the wildland fire continues to spread, thereby compounding the

Division of Forestry—Continued

problem. There is a relatively simple solution to this problem which in fire fighters' terminology is known as "hazard reduction." When the buildings are reasonably fireproofed the wildland fire control organization is then able to expend a greater effort on the suppression of the wildland fire itself.

The hazard reduction (or fireproofing) endeavor around a building should include the following:

1. Eliminate all limbs, particularly those with moss and witchbrooms near building chimneys, outdoor fireplaces or stoves.
2. Remove fine, dead and dry fuels such as dead limbs, bark, rotten wood and dead brush within a 10- to 20-foot radius of all small buildings and 50 feet of all large buildings. Flash fuels such as dry grass should be removed from around stoves, fireplaces and incinerators.
3. In the entire use area and for at least 100 feet around the exterior boundary of the structures, dispose of heavy fuel concentrations such as trash and garbage.
4. If the site is adjacent to fuel with medium, or a more rapid rate of spread such as dry grass or heavy accumulations of brush, or near a steep slope where a fire would spread rapidly, a firebreak should be constructed to separate the fuel and slope from the use area. Such a firebreak should be at least 100 feet to the rear of the use area and from 10 to 50 feet wide depending on the fuels and topography. It should be cleared of dry fuels, including log chunks, dry limbs and dry ferns. If the grass will readily spread fire an actual fireline to the raw earth two to four feet wide should be dug along the exterior edge of the cleared firebreak.
5. If the area is or will be extensive, such as around a large summer-home group, and contains much dead fuels or mossy timber, firebreaks at intervals of one-quarter to one-third mile should be constructed across the developed area. All heavy, dead, and dry down material and dead and mossy limbs for a height of eight feet should be removed. The firebreaks should be 100 to 200 feet in width. These breaks may follow established roadways.

It is apparent that due to California's varied climatic, topographic and vegetative cover conditions that one set of rules could not be reasonably applied across the entire State. In this light it would be well if a series of specific prescriptions were developed for each geographic type. *In this light, we recommend that appropriate legislation be enacted to empower the Board of Forestry to adopt specific prescriptions for the various areas of the State, compelling hazard reduction around structures in the state responsibility areas in accordance with the five points set out above.*

Division of Forestry—Continued

Suggested Interim Studies on the Fire Laws

In our interviews of the people engaged in the fire prevention and fire suppression functions of the Division of Forestry, the United States Forest Service, the county fire departments, landowners, and fishermen and hunters, we have heard many proposals for additional legislation in this area. As an example, there has been a proposal from many quarters to extend the provisions of the burning permit regulations. It is noteworthy that there have been extremely serious forest fires which burned in excess of 60,000 acres of timberland in the last two years because of apparent violations of the permit burning laws. There has also been considerable discussion relative to the closure laws.

We recommend that the Legislature undertake interim studies of the fire laws so as to give the many fire control organizations, the landowners and the wildland users an opportunity to express their thoughts on additional legislation.

Failure of the Division of Forestry to Undertake an Aggressive Fire Prevention Program

At the present time, the Division of Forestry is not undertaking an aggressive fire prevention program with the resources now available to it. The prevention effort is slipshod at best. Its accomplishment depends entirely upon the initiative of the local ranger. When the ranger has taken an aggressive interest in the fire prevention phase of his responsibilities, we have had effective local fire prevention programs that have achieved commendable results. But, we notice that there is a lack of co-ordination and consistency within the several administrative districts of the Division of Forestry and that there is very little leadership stemming from headquarters. The lack of a properly planned and co-ordinated fire prevention program is costing the State money because the statistics indicate that when we have an aggressive fire prevention program we have experienced substantial decreases in the number of man-caused fires.

We, therefore, recommend that a resolution be adopted by the Legislature directing the Department of Natural Resources and the Division of Forestry to forthwith study, formulate and undertake an aggressive and realistic fire prevention plan.

Such a fire prevention plan must include an action plan specifically setting forth priorities as to what shall be done, where it shall be done, when it shall be done and who shall do it. It ought to include, but not be limited to, an analysis of individual man-caused fires for at least the previous five years by cause and class of people who were responsible. Additionally, it should include a study of special hazards such as slash areas, blow downs, fire and insect killed timber, and a careful identification and survey of special risk areas such as those adjacent to railroads and highways, and in the vicinities of sawmills, towns, dumps and isolated residences. There should then be a determination of the geographic relationship of hazard areas to risk factors providing a clear overall picture of the fire starting and spreading potential identifying the areas and periods of special fire hazards and risks.

Division of Forestry—Continued

From such an analysis an effective and aggressive prevention plan can be prepared. The action plan should include an individual contact plan, a public education plan, a closures and restrictions plan, an industrial operation requirements plan, a reduction of physical man-created hazards plan, and a sign posting plan. After a plan has been established by the assistant ranger and his supervisory level, the division and district echelons should establish a system of management controls supported by an inspection system to insure that the plan is being put into effect.

The contention will undoubtedly be made by the division at this point that additional personnel are needed. We feel that every effort should be made to utilize the resources now available to the Division of Forestry and should those resources be found to be inadequate to accomplish an effective fire prevention plan, then at that time there could be consideration of additional personnel. We have found that at the assistant ranger level, as an example, only 10 to 12 percent of his time is expended on the fire suppression activities and that the remainder of his time is expended on so-called housekeeping activities. We feel that his devotion to such activities is inconsistent with the primary objectives of the Division of Forestry. He should be expending more of his time in the performance of primary fire prevention activities. The prevention effort, of course, should receive a subordinate priority to the fire suppression function.

Working Conditions

At the present time, the fire control personnel of the Division of Forestry are required to remain on either "standby" or "on-call" for a 120-hour per week period during the fire seasons. At first glance the budget merely proposes the reduction of the standby duty to a total of 104 hours a week, thereby allowing an extra night off for the fire control personnel who are on standby duty. Those personnel who are assigned to an "on-call" status will remain on the 120-hour basis. Some family type housing is provided for the ranger personnel but the foreman, truck drivers and firefighters are generally required to live in barracks separated from their families.

In a report on this subject to the Joint Legislative Budget Committee in December, 1959, we recognized that a serious personnel problem existed within the fire control organization of the Division of Forestry. We further recognized that there were a number of ways of overcoming or minimizing it. In our report to the Legislative Budget Committee we stated that, in view of the high cost involved, it would appear that every possible solution must be researched and evaluated so as to obtain realistic and economically feasible policies for management of the division. We recommended that the solutions to the personnel problems of the Division of Forestry be carefully analyzed within the framework of the effects of the use of the airplane, the elimination of the inactive stations and return to the basic fire responsibility of the division.

Division of Forestry—Continued

The budget proposal contemplates an expenditure of \$1,294,948 for implementation of the reduced standby time through employment of additional fire control personnel. Of that amount, \$983,805 is included in this budget item, \$173,922 under the item for payments to counties undertaking their own fire protection, and \$137,221 to the U. S. Forest Service for the protection of private land within the boundaries of the national forests.

We recommend approval of the proposal contained in the budget to the extent of the policy of reducing the standby week from 120 hours to 104 hours; but the proposal goes much farther than this in that it provides additional services over and above those required to bring about the 104 hour standby week.

Under salaries and wages in the field services portion of the division's budget (which supports the county ranger unit organizations) it is proposed that the following positions and amounts be added to the existing organization.

<i>Classification</i>	<i>Additional Positions</i>	<i>Increased Cost</i>
Summer Months		
Foreman -----	34.4	\$216,783
Drivers -----	24.7	129,335
Equipment Operators -----	9.8	63,022
Fire Fighters -----	76.9	296,296
Cooks -----	14.0	61,028
Lookout -----	9.2	40,450
Winter Months		
Foreman -----	22.5	136,168
Equipment Operators -----	6.7	40,723
Total -----	198.2	\$983,805

We find adequate justification for the 24.7 additional drivers, the 9.8 additional equipment operators and the 9.2 additional lookouts for the summer months and the 6.7 additional equipment operators for the winter months.

However, we recommend deletion of 34.4 forest fire fighter foremen (summer suppression crews) for a saving of \$216,783, budget page 483, line 33, and the deletion of 22.5 forest fire fighter foremen (winter work crews) for a saving of \$136,168, budget page 483, line 40.

The basis for requesting this specific number of positions is that the reduction from 120 hours to 104 hours in the standby week will require an additional 15 percent of man hours to provide the necessary relief.

At the present time, for each foreman position the division now has 1.5 employees which allows in excess of complete 24 hour coverage seven days a week by a foreman for each fire crew, thereby allowing relief for the foreman's position at all times. The additional one-half position was granted by the Legislature for the specific purpose of providing the 100 percent coverage for the foreman position. However, contrary to the budget presentation by which it was authorized, the division has instead assigned the extra one-half position to other

Division of Forestry—Continued

jobs such as relief dispatcher and storekeeper. Thus, the division is now operating outside of the concept envisioned by the Legislature. The granting of the additional positions will in fact amount to ratification of unauthorized use of foreman personnel.

It was pointed out in previous discussion that only 10 to 12 percent of the fire control organization's time is presently expended on actual fire suppression activities. The remainder of their time is generally spent on so-called housekeeping activities. The foreman can be given the task of maintaining the local warehouse facility without impairing his initial attack functions for this reason. During the initial attack stages of a fire the warehouse facility is not an integral part of the attack forces. It is only after the fire reaches campaign proportions that it is necessary to have a storekeeper on duty to dispense the supplies. Proper fire management dictates that the local personnel be called back to fill such jobs as warehousing and also to serve as relief and additional dispatchers because they are better acquainted with the community and the sources of the supply. Moreover, when a ranger unit has four or more fire crews, the one-half relief position gives the unit two full days of foreman time for relief dispatcher assignments.

The reason for the separation between summer months and winter months is merely an accounting procedure to indicate the number of positions that are employed during the fire season and the number that are required on a permanent basis. By granting the additional foremen there would be in fact an increase in the level of service by \$352,951 which is not needed to bring about the reduction in the standby week from 120 hours to 104 hours.

We recommend deletion of 51.2 forestry fire fighters, budget page 483, line 36, for a saving of \$197,531.

Justification for the requested 76.9 fire-fighter positions is that the reduction from 120 hours to 104 hours will require 15 percent more people to provide relief.

There are two points that bear discussion on this subject. The original study undertaken by the Business Management Section of the Division of Forestry indicated that after very careful review of the deployment of the actual positions, it would only be necessary to hire an additional 5 percent of the fire-fighter force to provide the relief. Five percent of the present fire fighting strength would represent 25.7 positions and would cost \$98,765 to employ.

The second point is that all of the fire-fighter personnel are temporary employees, most of whom are either students or itinerant laborers. The fire station barracks is generally their fire season home and, with only minor exception, the fact that they are now required to be on standby for five nights instead of the proposed four nights does not create a domestic relations problem as it does for the permanent employees such as the foreman and drivers. This latter point, coupled with the fact that the Business Management Section of the Division of Forestry was willing to make the recommendation that only a 5 percent in-

Division of Forestry—Continued

crease was needed, leads us to feel that the increase in the fire-fighter strength should be limited to the 5 percent.

We recommend deletion of the 14.0 additional cooks, budget page 483, line 37, for a saving of \$61,028.

Justification for the additional cooks is on the basis that the reduction from 120 to 104 standby hours requires 15 percent additional positions to provide relief.

The basic justification for the increased number of fire control personnel is to provide sufficient relief positions to allow the employee to be home three nights a week instead of two nights a week. The people required to be on standby duty are those who must respond to a fire on immediate call. The division has requested the flat 15 percent increase in the number of cooks in the same way that it has requested an increase in other personnel. A cook does not fall into the category requiring response upon immediate call. Basically, the cook works for five days, putting in a sufficient number of hours to prepare three meals each day. When he has finished cooking the last meal of the day he is free to go. It should also be pointed out that all of the cooks in the fire stations are temporary employees and they are not faced with the problem of being away from their families for extended periods of time. As a practical matter, 15 percent additional cooks could not be used except to place them in locations where cooks had never heretofore been used.

We recommend deletion of 76.3 percent camp cooks, budget page 483, line 26, for a savings of \$332,508.

In reviewing the operations of the Division of Forestry, with the intent of ascertaining whether there are areas that could be eliminated or reduced so as to accommodate the increased costs due to the improved working conditions program, we have reached the conclusion that a number of the cook positions presently authorized can be eliminated without impairing the efficiency of the fire control organization. At the present time the division has a budget of \$406,850 for temporary employee camp crew cooks at the summer suppression crew stations.

The division's fire plan recommends that the smallest size fire crew, which is known as a "number one" crew, not be assigned a camp cook. Moreover, when the division initially requested the camp cook positions its submission to the Legislature stated that a camp cook would not be assigned to a number one crew. Contrary to the published criteria of the division and the concept envisioned by the Legislature the division has assigned camp cooks to seven number one crews, which accounts for an annual expenditure of \$15,246. By the division's own standards these positions should be deleted.

At 36 other stations the cooks prepare meals for a maximum of eight people. This accounts for \$78,408.

At another 109 stations the cooks prepare meals for a maximum of nine people, which accounts for \$238,854.

Division of Forestry—Continued

We are of the opinion that the camp cooks for those fire crews having 10 or less people should be deleted, at a savings of \$332,508, for the following reasons:

1. The standby week of the fire control personnel has been reduced; thereby considerably enhancing their working conditions.
2. The State does not receive any reimbursement for the salary of the cooks from the persons purchasing the meals.
3. It is a universal practice for firemen to prepare their own meals.
4. The Division of Forestry has installed deep freezers in most of the fire stations. With proper meal planning and food purchases coupled with the publication of cooking guides, a greater use of precooked foods can be had, thus eliminating the need for the cooks at the smaller stations.
5. The initial justification for the cook positions was that they would also be used as cooks on campaign fires. Subsequently the conservation camp program has been greatly expanded. For the most part inmate cooks are now used on the campaign fires since they are better trained to cook for large groups of people.

We recommend deletion of the recreational equipment listed below, budget page 483, line 66, for a savings of \$30,000.

The division is requesting the following equipment upon the justification that modern-day personnel practices dictate that the employer purchase recreational equipment for his employees.

<i>Number and type of equipment</i>	<i>Cost</i>
132 Television sets -----	\$26,800
2 F.M.-A.M. radios -----	100
49 Basketball sets -----	578
38 Table tennis sets -----	827
84 Badminton sets -----	1,168
44 Volleyball sets -----	357
41 Footballs -----	123
4 Bibles (with study aids) -----	47
Total -----	\$30,000

It should be pointed out that no other state agency provides recreational equipment for their employees. When such equipment is obtained it is usually purchased by employee donations or associations.

By allowing this request, we are establishing a precedent whereby other state agencies will be budgeting for recreation equipment of a similar nature.

Employee Housing

The Division of Forestry now has 136 family residences which it leases to certain employees. Basic justification for the housing is two-fold. First of all it is located in close proximity to the fire station so that the employee is more readily available for emergency call during nonbusiness hours. Secondly, it is provided to the employee so that when he is on standby duty he can live with his family rather than in a barracks-type facility. However, a recent survey made of the division's state-owned housing indicates that of the 136 residential facili-

Division of Forestry—Continued

ties, only 36 or 26.5 percent are rented to the employees that are required to be on standby duty.

By tradition, the housing is assigned on a seniority basis. The unit ranger, who is not on standby duty, is generally given first choice, and then the associate ranger or the assistant rangers are considered, followed by the dispatchers, foremen, truck drivers and equipment operators. Most of those employees who are on standby duty do not have access to the state-owned housing and must live separated from their families for extensive periods of time. Instead, it is the higher echelon management personnel who are generally given the opportunity to live in a state-owned house.

A survey made of the rents paid by Division of Forestry personnel is also of considerable interest. The following chart indicates the salaries paid to the several fire control classifications, the rent that the average member of that classification pays for private and state-owned housing and the percent of his total income the rent represents in each case.

Division of Forestry classification title	Private			State-owned		
	Salary	Rent	Percent	Salary	Rent	Percent
State forest ranger III-----	\$821	\$135	16.4	\$879	\$47	5.4
State forest ranger II-----	745	44	5.9	797	46	5.8
State forest ranger I-----	697	113	16.0	722	49	6.8
Associate ranger-----	644	103	16.0	677	39	5.8
Assistant ranger-----	584	93	15.9	611	40	6.6
*Dispatcher-----	505	125	24.8	556	41	7.4
*Fire fighter foreman-----	505	75	14.9	525	37	7.1
*Equipment operator-----	530	75	14.2	556	24	4.3
*Fire truck driver-----	458	83	18.1	446	28	6.3
Forestry superintendent-----	644	82	12.7	690	45	6.5
Assistant superintendent-----	584	76	13.0	613	31	5.1
Average-----			14.94			6.04

* Persons on standby duty.

It is noteworthy that the employee who is given state-owned housing pays an average of 6.04 percent of his income for his rent, whereas the employee who must either rent or purchase privately owned housing pays an average of 14.94 percent of his salary for rent. We believe that rents should be increased to meet the State's cost, which would automatically tend to eliminate this preferential subsidy.

The only people on the above list that are on standby duty are the dispatchers, fire fighter foremen, equipment operators and fire truck drivers. *In view of the fact that when state-owned housing is unavailable they are required to live away from their families for extended periods of time, they should have first priority on any available state housing. This would tend to reduce pressures for relief which have serious financial implications.*

Expansion of the Conservation Camp Program

The Deadwood Conservation Camp in Siskiyou County and the Men's Colony Camp in San Luis Obispo County are in various stages of construction and will be ready for operation during the 1961-62 fiscal year.

Twenty-two additional positions at a cost of \$43,272 are required to provide the standard staffing for these facilities. *We recommend approval.*

Division of Forestry—Continued

Communications—Microwave System

The budget proposal of the Division of Forestry for the 1961-62 fiscal year includes approximately \$16,000 for microwave equipment to be installed as part of the developing statewide microwave network. The amount mentioned is the net state cost after federal participation and is contained in the general item for equipment on line 43 of page 482 of the budget. In the current fiscal year it is estimated that the net state expenditure for microwave equipment will be \$92,600 which includes \$13,500 transferred by the Department of Water Resources in payment for flooded telephone lines which are or will be replaced by microwave links. In the 1959-60 fiscal year the net state expenditure for this purpose was \$74,000. In the 1958-59 fiscal year it was \$8,800 and in the 1957-58 fiscal year \$2,000. In the latter two years no federal funds were involved.

The proposed budget for the Highway Patrol includes \$42,000 of net state expenditures for microwave equipment. In the current fiscal year, it is estimated that \$42,000 will be expended for this purpose. In the 1959-60 fiscal year \$36,000 was expended for this purpose. In the 1958-59 fiscal year none was expended and in the 1957-58 fiscal year \$25,000 was expended for microwave equipment.

The State Disaster Office's budget for the 1961-62 fiscal year includes \$18,000 for replacement of the original so-called "backbone" microwave system. Part of this will be reimbursable by federal funds, although the exact amount is not known but in any case would not exceed 50 percent. In the current fiscal year it is anticipated that \$12,000 will be expended for this purpose. Here also, part of it will be reimbursable from federal funds not to exceed 50 percent. In the years preceding the two just mentioned the Disaster Office did not expend any funds for microwave with the exception of the original backbone installation for which the net cost to the State was approximately \$36,000 in 1955.

The State Division of Highways has also expended a considerable amount of funds for the establishment of links or legs in the statewide microwave network. The exact amount is not known but it is believed to be at least equivalent to the total expended by all the other agencies together. The publication of the Division of Highways budget in the Governor's printed budget does not include a breakdown of the expenditures for communication equipment. As of this writing we have not been able to secure accurate figures on the total expenditures made by the Division of Highways for microwave purposes to date.

It will be recalled that some years ago the proposal to establish a statewide microwave radio communications system was placed before the Legislature and rejected after due consideration. The expenditures mentioned above are nowhere set forth clearly in the Governor's printed budget, indicating that the gradual establishment of a microwave network was being undertaken by a group of agencies each of whom would contribute some portion of the network through its own budgetary process. It should be pointed out that in at least the two major agencies mentioned, the Division of Forestry and Highway Patrol, which have

Division of Forestry—Continued

regular support budgets before the Legislature, the program summaries preceding the printed budget for each agency at no time in the last five years, nor in the printed budget for the new fiscal year, makes mention of the fact that the agency in question is entering into the establishment of a statewide microwave network.

The purpose of calling this problem to the attention of the Legislature at this time is not to argue the merit or lack of merit of a statewide microwave system. It has been stated by the agencies that the microwave system is actually a method of controlling the regular V.H.F. system that is used for mobile communication, but that in the process of establishing these control links a byproduct results whereby a point-to-point or city-to-city communications capability is developed. The problem is highly technical and far too complex to present at this point. However, we have been informed that the system in existence, plus what has already been funded and will shortly be in existence, would have a definite capability and useability so that if no further expenditures were made the system would not simply lie idle but would in fact be used by the contributing agencies.

In view of the fact that the entire long-range microwave system problem has not been placed before the Legislature in its entirety for consideration and discussion, and in view of the fact that the system that exists or will shortly exist would not go unused if no further funds were forthcoming, *it is our recommendation that the Legislature withhold any further funds for expansion or replacement of the system until it has had ample opportunity to study the problem in its entirety and in light of other communications problems.* Furthermore, we suggest that the Legislature undertake an interim study of the problem, through one of its committees, during which all of the agencies including the Communications Division of the Department of Finance would be required to set forth in clear detail the long-range plans, the cost involved initially, the cost of maintenance and the cost of replacement for obsolescence.

Attention is also directed to the fact that this office attempted to ascertain information of this sort in the fall of 1959 by means of a letter directed to the Director of the Department of Finance. As of this writing, other than an acknowledgment of the letter, no information of any consequence has been forthcoming.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 183 of the Budget Bill

Budget page 486

FOR SUPPORT OF WATERSHED PROTECTION BY CO-OPERATING
COUNTIES FROM THE GENERAL FUND

Amount requested	\$1,541,543
Total	\$1,541,543
Estimated to be expended in 1960-61 fiscal year	1,308,209
Increase (17.8 percent)	\$233,334
TOTAL RECOMMENDED REDUCTION	\$151,996

Division of Forestry—Continued

	Summary of Recommended Reductions		Budget
	Amount	Page	Line
Reduce totals, watershed protection by co-operating counties-----	\$151,996	486	18

GENERAL SUMMARY

The Public Resources Code authorizes the Division of Forestry to enter into agreements with those counties desiring to provide fire protection services on those lands within the county qualifying as state responsibility territory. The counties of Kern, Los Angeles, Marin, San Mateo, Santa Barbara and Ventura have availed themselves of this opportunity.

The policy of the division is that reimbursement is to be based upon the degree to which the Division of Forestry has implemented its fire plan. It would appear that the level of service in the contract counties is comparable to the level of service provided in the non-contract counties. However, should the division provide direct service to the contracted territory, the cost would be about 80 percent more to the State. An example of this is San Mateo County. Under the existing formula the San Mateo County fire department will receive \$118,687 to do the job, but in order for the Division of Forestry to handle the job, the total cost would be \$212,443, which is an increase of \$93,756 or 79 percent. The Division of Forestry insists that the contract arrangements provide for a level of service in the contract counties which is commensurate with the level of service provided in the non-contract counties. From this standpoint, it would appear that it is to the State's advantage to encourage contractual arrangements with the county governments instead of extending the organization of the Division of Forestry.

ANALYSIS

This year's budget provides for a continuation of the contractual arrangements with Kern County, Los Angeles County, Marin County, San Mateo County, Santa Barbara County and Ventura County. The funds involved represent 13 percent of the cost of protecting all lands under State responsibility, statewide. The breakdown of expenditures to be made to the counties is as follows:

County	Appropriation
Kern County-----	\$388,111
Los Angeles County-----	529,362
Marin County-----	123,054
San Mateo County-----	118,687
Santa Barbara County-----	187,901
Ventura County-----	194,428
Total-----	\$1,541,543

The increase is due to the working conditions increase given to the Division of Forestry, which is a further implementation of the Fire Plan when applied to this item.

We recommend approval of this item only to the extent that it is consistent with our recommendations relating to the support of the

Division of Forestry—Continued

division, which will have the effect of causing an approximate reduction of \$151,996 in this item.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 184 of the Budget Bill

Budget page 486

FOR SUPPORT OF PRIVATE LAND PROTECTION BY THE U.S.
FOREST SERVICE FROM THE GENERAL FUND

Amount requested	\$1,215,999
Estimated to be expended in 1960-61 fiscal year	1,028,153

Increase (18.3 percent)	\$187,846
TOTAL RECOMMENDED REDUCTION	\$119,897

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Reduce contract with U.S. Forest Service	\$119,897	486	35

GENERAL SUMMARY

The Public Resources Code permits the Division of Forestry to enter into contractual arrangements with the United States Forest Service for the protection of privately owned land lying within the National Forest boundaries. At the present time, 4,778,836 acres are thus protected. Payments to the Forest Service are predicated upon the overall implementation the Division of Forestry has made to its fire plan, but only to the extent of salaries and wages and operating expenses. Equipment purchases and capital outlay expenditures are not included in the basic formula.

ANALYSIS

The budget contemplates an expenditure of \$1,215,999, which represents an 18.3 percent increase from the 1960-61 fiscal year expenditure. This increase is due to the "working conditions" increase in the Division of Forestry's program.

An administrative charge of \$11,600 for support of the coordinating position in the division's headquarters is deducted before payment to the U.S. Forest Service. Additionally, the Forest Service deducts a 9 percent administrative charge for its regional office amounting to \$108,396. Therefore, only \$1,056,003 is actually distributed to the various National Forest units. The contemplated expenditures to the forests are as follows:

<i>National forest</i>	<i>Appropriation</i>
Angeles	\$27,619
Cleveland	38,470
El Dorado	44,388
Inyo	8,001
Klamath	67,733
Lassen	104,778
Los Padres	56,882
Mendocino	39,566
Modoc	88,667

Division of Forestry—Continued

<i>National forest</i>	<i>Appropriation</i>
Plumas	100,065
San Bernardino	90,420
Sequoia	11,289
Shasta-Trinity	214,597
Sierra	26,304
Six Rivers	39,566
Stanislaus	8,001
Tahoe	110,367
Toiyabe	19,290
Regional office (administrative charge)	108,396
Total	\$1,204,399

We recommend approval of this item only to the extent that it is consistent with our recommendations relative to support of the Division of Forestry, which will have the effect of causing a reduction of \$119,897.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 185 of the Budget Bill

Budget page 486

**FOR SUPPORT OF WHITE PINE BLISTER RUST CONTROL
FROM THE GENERAL FUND**

Amount requested	\$94,866
Estimated to be expended in 1960-61 fiscal year	94,866
Increase	None

TOTAL RECOMMENDED REDUCTION \$74,866

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Reduce total appropriation	\$74,866	486	44

GENERAL SUMMARY

Under authority of the Public Resources Code the Division of Forestry is permitted (in accordance with policy established by the Board of Forestry) to enter into agreements with timber land owners or the federal government for the purpose of controlling or eradicating plant diseases. This item provides for co-operation with the U.S. Forest Service in the control of white pine blister rust.

The disease is a fungus which causes damage to the California Sugar Pine. The trees can only be attacked by spores directly transmitted from currant or gooseberry bushes to the pine tree and back to the berry bush for an alternate phase of its life cycle. The control program is aimed at eradication of the currant or gooseberry bush, through chemical treatments and actually grubbing the bushes out of the ground.

Division of Forestry—Continued

The Board of Forestry policy is to "encourage" participation from the private landowner to the extent of 25 percent of the cost. This encouragement has met with very little success as is indicated in the following chart.

<i>Fiscal year</i>	<i>Actual expenditure</i>	<i>Contributions</i>	<i>Percent</i>	<i>State participation needed to meet contributions</i>
1955-56 -----	\$102,300	\$3,700	3.6	\$11,100
1956-57 -----	112,780	6,050	5.4	18,150
1957-58 -----	115,000	5,980	5.2	17,940
1958-59 -----	93,415	none	none	none
1959-60 -----	94,547	2,882	3.0	8,646
1960-61 -----	94,866	2,501	2.6	7,503

Most of the contributions have come from the major timber land owners who were instrumental in establishing the Board of Forestry encouragement program.

The program was initially begun by the federal government in 1936 and according to the Division of Forestry it has now progressed to the point that it is practically on a maintenance basis, with a minimum of new areas to be treated. At one time it was handled by a separate bureau within the U.S. Department of Agriculture, but due to the greatly diminished workload the program has been transferred to the administration of the U.S. Forest Service.

ANALYSIS

The budget provides for an appropriation of \$94,866 which is equal to the estimated 1960-61 fiscal year expenditures. However, the 1960-61 fiscal year budget act provided \$97,000. Therefore, this year's budget actually contemplates a 2.2 percent or \$2,114 decrease from the previous year.

We recommend a reduction in the amount of \$74,866, budget page 486, line 44.

As demonstrated in the above chart, the amounts required to complete state participation have not exceeded \$18,150 during the past six fiscal years on a three to one basis as envisioned by the Board of Forestry. In this light, no more than \$20,000 is needed to fulfill the State's obligation under the philosophy established by the Board of Forestry which is the amount that would remain in this item under our recommendation.

Occurrence of the disease is such that its control can be planned out several years in advance, thereby allowing the control agency to pre-plan each fiscal year's operation and to make appropriate agreements with the land owners involved. In this light, should it become necessary to expand the program beyond the \$20,000 state participation level, the Division of Forestry can present a definite plan of action to the Legislature that would indicate the land owners involved and the extent to which they will contribute in each fiscal year.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 186 of the Budget Bill

Budget page 486

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

Amount requested	\$320,000
Estimated to be expended in 1960-61 fiscal year	730,000
Decrease (56.2 percent)	\$410,000

TOTAL RECOMMENDED REDUCTION

None

GENERAL SUMMARY

This budget item provides for salaries and wages, operating expenses and equipment which is not provided for in other items of the Division of Forestry's budget and which are required over and above the division's authorized budget in the event of a serious fire season with which the normal forces and equipment are unable to cope. The necessity for such an emergency fund is directly dependent upon the weather conditions rather than upon the size of the suppression forces.

The division has, in the past several years, expended considerably more than this \$320,000. The fund is from time to time augmented by funds from the Governor's Emergency Fund as required. It is estimated that during the 1960-61 fiscal year an additional \$410,000 will be so transferred. During the 1959-60 fiscal year an additional \$673,520 was required and during the 1958-59 fiscal year an additional \$354,347 was made available to the division. At one time, the Division of Forestry stated that as the 1956 Fire Plan was implemented, the need for these funds would decrease. This prediction has not materialized.

ANALYSIS

The budget provides for the same amount as budgeted in previous years.

At this time, there is no way of knowing whether the 1961 fire season will be an easy or serious one and since it is uneconomical and impractical for the State or any other fire control agency to provide a support budget designed to cope with the extraordinary situation and additionally, since there is considerable variance in fire occurrences and conditions from year to year, it is reasonable that the Division of Forestry should have access to emergency funds. *In view of the above, it is recommended that this item be approved as submitted.*

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 187 of the Budget Bill

Budget page 487

**FOR SUPPORT OF FOREST INSECT CONTROL
 FROM THE GENERAL FUND**

Amount requested	\$20,000
Estimated to be expended in 1960-61 fiscal year	20,000
Increase	None

TOTAL RECOMMENDED REDUCTION

None

Division of Forestry—Continued

GENERAL SUMMARY

The Public Resources Code authorizes the Division of Forestry to enter into co-operative agreements with private landowners, local governmental units and the federal government for the operation of insect control projects. Under existing policy of the Board of Forestry, the private landowner is required to match the state expenditure either in cash or labor. When only state-owned and private lands are involved, the Division of Forestry share is 50 percent and the private landowner's share is 50 percent. However, when federal lands are involved the federal government subvents the project by 50 percent, the State participates to the extent of 25 percent and the private landowner 25 percent.

ANALYSIS

This year's budget provides for a continuation of the present level of the over-all program. The two planned projects are the Arrowhead-Crestline zone of infestation and the San Jacinto zone of infestation. The current year budget provided for \$4,600 for each one of these projects and, also, \$15,300 for unallocated budgets which in reality is another emergency fund. Part of the \$15,300 was used to expand the aforementioned projects, bringing their estimated current expenses to \$7,800 and \$9,000 respectively. Since both of these projects have involved private land, state-owned land and U.S. Forest Service land, the state's share in each case has been 25 percent, the federal share 50 percent, and private landowners' share 25 percent, the latter having been paid by the San Bernardino flood control district on the Arrowhead-Crestline project and from the Riverside County flood control district on the San Jacinto project.

We recommend approval of this item as budgeted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 188 of the Budget Bill

Budget page 487

FOR SUPPORT OF WILDLAND VEGETATION AND SOIL MAPPING
FROM THE GENERAL FUND

Amount requested	\$110,581
Estimated to be expended in 1960-61 fiscal year	110,581
Increase	None
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

Land management, like the administration of any other business enterprise, requires an inventory of its productive capacity and its available raw materials. Soil and vegetation surveys are currently being carried out by public agencies to provide this inventory.

At the present time, three separate agencies are conducting surveys in California. Two of them are supported from federal funds. The Soil

Division of Forestry—Continued

Conservation Service of the U.S. Department of Agriculture is mapping the privately owned lands lying within the organized soil conservation districts. The Forest Service of the U.S. Department of Agriculture is mapping the national forest lands.

The privately owned and state-owned lands situated outside the organized soil conservation districts are being mapped by the State Cooperative Soil Vegetation Survey, which is financed entirely by this appropriation to the Division of Forestry. The division, the Department of Agronomy of the University of California at Davis, the Department of Soils and Plant Nutrition of the University of California at Berkeley and the U.S. Forest Service Experiment Station located in Berkeley are the co-operating organizations. Upon conclusion of the 1959-60 fiscal year, the State of California will have invested well over \$1 million in the survey. When the program was initiated in 1947, the Department of Natural Resources estimated that it would be completed in from three to four years. In 1953, reassessment of the program indicated that 10 years would be needed. In 1958, the evaluation estimated that another 28 to 30 years would be required to cover the State. Hence, it can be conservatively estimated that another \$3 million will need to be invested to complete this survey.

A progress report for the 1960-61 fiscal year is as follows:

Field mapping work was conducted in Humboldt and Shasta Counties. The total area mapped during the fiscal year was 370,000 acres. In Humboldt County, in addition to nonfederal lands, mapping was started on the Hoopa Indian Reservation. Here, because the geology was very complex and because some new soil survey techniques are being worked out, the total area mapped amounted to only 133,000 acres. In Shasta County, investigation of soils in new areas was continued and a total of 237,000 acres were mapped during the year of which 48,000 acres included Soil Conservation Service cooperation. In the field of cartography, maps published during the year covered 435,000 acres, of which 179,000 acres are in Humboldt County and 255,000 acres in Tehama County. During the fiscal year under consideration, it is anticipated that fieldwork will be continued in Humboldt County and Shasta County for an expected coverage of 470,000 acres. Field mapping will be continued in Humboldt County by a two-man crew up until December 1 and by a one-man crew thereafter. Field mapping in Shasta County will continue with a three-man crew to cover 300,000 acres, in addition La Tour State Forest will be mapped by a crew composed of one project man and one Division of Forestry man. The Tehama County maps will be completed. However, these will amount to only 5,000 to 10,000 acres outside national forest boundaries. For Humboldt County, maps will be prepared covering about 200,000 acres and maps covering another 200,000 acres will be prepared for Shasta County. The Mendocino County comprehensive report is expected to be in final form, ready for distribution during the year.

Division of Forestry—Continued
ANALYSIS

From the standpoint of total expenditures, it is contemplated that the program will continue at its existing level. A total of 12 people, plus part-time and temporary personnel will be employed at the Pacific Southwest Forest and Range Experiment Station; \$89,976 will be paid to the U.S. Forest Service for its share of this program. The Department of Agronomy of the University of California at Davis will employ two people, for a total budget of \$11,314. The Department of Soils and Plant Nutrition of the University of California at Berkeley employs one senior laboratory technician plus general assistance, travel, equipment and laboratory supplies for a total of \$9,291. *We recommend approval.*

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 189 of the Budget Bill

Budget page 487

FOR SUPPORT OF WATERSHED RESEARCH
FROM THE GENERAL FUND

Amount requested	\$23,472
Estimated to be expended in 1960-61 fiscal year	23,472

TOTAL RECOMMENDED REDUCTION..... None

GENERAL SUMMARY

This budget item provides for the State's assistance in the cooperative watershed management research project at the San Dimas Experimental Station located near Glendora in Los Angeles County. The overall research objective is aimed at finding ways to increase water yields and to reduce flood, erosion and sedimentation.

On July 20, 1960, a lightning fire started on the San Dimas Experimental Station and burned approximately 15,000 of the 17,000-acre experimental forest area. Several of the stream gauging stations were burned. However, makeshift field installations have been developed. The watershed stations are back in operation and the performance of the experimental watersheds is again underway. Before the fire, the major research emphasis was aimed at increasing water yield through vegetative-type conversion. Two valuable years of records were obtained. A further type conversion (which was originally planned to take place in two or three years) will take place immediately as a result of the fire. Additionally, an emergency research plan has been prepared for the entire experimental forest. As a result of the forest fire that received so much public attention, a unique opportunity now exists for the conduct of intensive studies in full hazard reduction and the effectiveness of various measures for flood control and reducing sedimentation. Even though the fire seriously disrupted the planned operations of the research people at the experiment station, with sound planning and concentrated effort they hope to turn the fire disaster to maximum advantage and produce new and critically needed information. Accomplishments thus far are as follows:

Division of Forestry—Continued

Managing Watersheds to Increase Water Supplies

It has been found that removal of "water wasting stream bottom vegetation" is paying off in increased stream flow. A total of 40 acres of woodland-riparian trees and shrubs was removed from the stream channel in an 875-acre sample plot. To lessen flood and erosion hazards, floatable debris was removed from the flood channel and followup chemical spraying of new growth sprouts was continued. Native grasses occupied most of the formerly tree-covered area. Summer stream flow was less this year than in 1958 because of the low rainfall of the past winter. The measured stream flow from the treated canyon during the summer period of May 1 through September 30, 1959 was 12.8 acre-feet, while that from the untreated test canyon was 2.8 acre-feet. Comparing flows from the treated canyon and from the untreated canyon during the years of similar rainfall before the stream channel vegetation was removed indicates an increase of about 11 acre-feet in the summer's flow, which is approximately four times more water than was obtained before the trees and shrubs (which use large amounts of water) were removed. In the past, during years of low winter rainfall, the summer stream flow generally continued 20 to 30 days longer from the nontest than from the test canyon. In 1959 the untreated canyon dried up in late July, but the flow from the treated canyon continued throughout the year and continued to flow during the 1960 summer which is almost unheard of in the mountains behind Glendora.

It has also been shown that spraying chemical herbicides on the brush-covered side slopes having deep soil has increased stream flow and the water flow has been continuous when formerly the stream dried up during the summer and fall months. A preliminary analysis indicates that flow during the period, June 1, 1958 through September 30, 1959, was about five and a half acre-feet greater than would have been expected without the spraying of the brush. Moreover, soil moisture measurements show that evaporation and transpiration during the rainy season of October 22, 1959 to May 10, 1960 averaged nearly 10 inches from the unsprayed sites, but only about 6.5 inches from the sprayed sites, whereas rainfall during this period was less than 14 inches. This means that there was that much more water made available to the Los Angeles basin. It has been previously estimated that 60 percent of the water supply for the Los Angeles basin comes from the surrounding mountains.

ANALYSIS

The proposed budget of \$23,472 will provide for a continued recording of rainfall, stream flow, ground water and channel erosion on the experimental forest. It is our opinion that this research project is justifiable since it has already produced useful findings which will do a great deal to enhance Los Angeles' water supply and the control of wild fire.

We recommend approval of this item as submitted.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 190 of the Budget Bill

Budget page 487

FOR SUPPORT OF FOREST AND FIRE RESEARCH
FROM THE GENERAL FUND

Amount requested	\$64,764
Estimated to be expended in 1960-61 fiscal year	64,764
Increase	None
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

Public Resources Code Section 6816.3 authorizes the transfer of \$100,000 annually from the State Lands Act Fund to the Division of Forestry for basic research and field studies with respect to the activities of the Division of Forestry. This is supplemented by an appropriation from the General Fund which is the subject of this budget item.

The following table indicates the research projects and their cost since inception of the program.

<i>Project</i>	<i>1957-58 Actual</i>	<i>1958-59 Actual</i>	<i>1959-60 Actual</i>	<i>1960-61 Estimated</i>	<i>1961-62 Proposed</i>
Cloud Nucleation Study	\$21,677	\$20,165	\$12,045	\$12,020	\$12,020
Fire Climate Study	15,000	20,000	20,000	19,560	19,560
Fire Protection Economic Study	6,000	13,250	13,250	17,849	17,849
Fire Equipment Develop- ment	4,209	8,078	182	8,000	8,000
Fire Prevention Research	3,000	6,000	6,000	14,670	14,670
Forest Planting Stock Physiology	10,000	10,000	10,000	10,758	10,758
Hazard Reduction on South- ern California Brush Watershed	---	14,000	14,000	15,648	15,648
Forest Growth Prediction	---	9,000	8,463	12,225	12,225
Seed Tree Effectiveness	---	9,000	6,483	13,203	13,203
Physiology and Ecology of Bark Beetles	---	6,250	4,928	6,112	6,112
Development and Uses of California Hardwoods	---	5,500	5,500	5,379	5,379
Interception and Use of Water by Herbaceous Vegetation	---	7,000	7,000	8,313	8,313
Dwarf Mistletoe Control	---	---	---	6,846	6,846
Rodent Control	---	---	---	6,846	6,846
"X" anqucl disease	---	---	---	7,335	7,335

In addition to the funds indicated the Division of Forestry has diverted considerable salaries, and operating expenses, by the use of personnel and equipment which are normally assigned to other activities. For example; much work has been done on fuel breaks in Southern California by conservation camp crews with the technical aid and direction from the Ranger units, the district administrative offices and headquarters personnel. Several fire crews have participated in the cloud nucleation study in Lassen County, again with the technical aid

Division of Forestry—Continued

and direction from all administrative levels. The same is true for almost all of the fire research and equipment development projects entered into by the division.

Results during the past three years have been highly varied, particularly since some of the studies (such as lightning prevention and fire economics) have been quite basic in nature while others can be considered "applied research" and have resolved in many operational applications. There has been much gain of a positive nature in some of the project areas but very little gain in others. The division feels that even where there has been little positive gain the negative results have been of value in demonstrating what cannot be done.

ANALYSIS

The division proposes a budget of \$164,764 for its Forest and Fire Research Program. This is the same level estimated to be undertaken during the 1960-61 fiscal year. There have been no adjustments in the individual research projects.

The following is a brief description of the objectives and results obtained from each.

Cloud Nucleation Study

This project has been undertaken principally by the Division of Forestry. Technical assistance in statistical design and analysis has been obtained from the Pacific Southwest Forest and Range Experiment Station. Other assistance has been provided by the California Region of the U. S. Forest Service, private individuals in Lassen County, the U. S. Weather Bureau in Sacramento and Redding, and the California Department of Water Resources.

The objective was to find means of preventing the thousand or more forest fires annually caused by lightning in California. Contracts with the Pacific Southwest Experiment Station have been around \$10,000 for each of the three years, principally to cover the salaries of one statistical meteorologist full time and another part time. The remaining moneys have been spent by the Sacramento staff of the Division of Forestry for the development and construction of cloud nucleation equipment and for the purchase of silver iodide and propane gas needed to artificially nucleate thunderclouds.

Since it was found that the artificial nucleation of thunderclouds resulted in no statistically significant changes in the number of lightning strikes discharging from thunderclouds, in the number of lightning fires occurring, nor in the amount of rainfall from the thunderclouds, the division has discontinued the nucleation study and supplemented it with a study of "where do thunderclouds tend to build up in the Sierra Nevadas" and "where do the clouds tend to go." Much of the study is made in co-operation with the U.S. Weather Bureau in Sacramento using its giant weather radar system.

Results have not as yet been fully evaluated. However, operational phases of the program demonstrate the potential ability of radar to detect thundercloud build ups, to note their movement and predict their future position. As a result, the division and the U.S. Forest Service

Division of Forestry—Continued

were alerted on several occasions to probable local thunderstorm activity, thereby allowing them to prepare more quickly and adequately for the possible lightning fires.

Fire Climate Study

This project has been conducted principally by the Pacific Southwest Forest and Range Experiment Station. The California Region of the U.S. Forest Service has also contributed moneys. Moreover, the Division of Forestry has contributed manpower and equipment to specific elements of the project.

Objectives are to study fire behavior and to determine the effects of the meteorological and associated fuel factors on fire behavior. The research personnel take advantage of large fires and controlled range improvement burns to make the necessary observations.

Importance of the project is exemplified by the many large fires that have occurred partially due to the ignorance of fire fighters as to what fire climate is. Many lives have been lost on the fire lines as the result of "unusual" winds and fire behavior. This project is already demonstrating that no fire weather is "unusual"—it is simply unknown or misunderstood.

Thus far, it has demonstrated how local winds can be studied prior to range improvement burns and accurate predictions made as to probable fire weather thus permitting the person in charge of a burn to take necessary precautions.

The principles are now being applied on a few large fires by the U.S. Forest Service fire behavior specialists. By interpreting weather bureau forecasts in terms of fire behavior they have been able to render considerable help to fire bosses in the planning of successful fire control actions. A few Division of Forestry personnel are working with the fire behavior specialists to learn the techniques involved.

One of the most important contributions to the fire climate research has been the California Fire Danger Rating System. This system is commonly used by all forest fighting agencies in California and permits direct comparison and prediction of fire weather from day to day at any one location and also between locations within the State. It is one of the most important tools available to the fire control manager allowing him to regulate his manning schedule, days off, stakeout of crews in critical areas and to alert local people as to the probability of fire incidence. The mathematical construction of the system is such that it permits simple modification as new research results are obtained.

Fire Protection—Economic Study

This project has been wholly contracted to the School of Forestry of the University of California at Berkeley. Its primary objective is to determine the optimum fire protection forces that should be assigned to any given area. Secondary objectives, which perhaps must be obtained prior to solving the main problem, are to evaluate fire damage to various types of vegetation and wildland use, to determine the rela-

Division of Forestry—Continued

tive effectiveness of the various types of fire control tools such as fire crews or air tankers and their combination in various fire control situations. The ultimate goal is to provide a measure of how much money should be spent for fire protection.

In assuming the project, the School of Forestry stated that several blind alleys might be explored before the way became clear. This is exactly what has happened. Two major attempts have been made without success to correlate fire protection effort with fire damage through multiple regression correlation. These efforts have served to shed light upon other avenues of possible success. To date, the school has submitted only progress reports that merely discuss the complexity of the assignment.

Fire Equipment Development

Many of the projects on which the money has been spent were the exclusive effort of the division while others were co-operative efforts with the California Region of the U.S. Forest Service, the Arcadia and Missoula, Montana Equipment Development Centers of the U.S. Forest Service, the Pacific Southwest Forest and Range Experiment Station, the Los Angeles County Fire Department as well as several private manufacturers.

Examples of the equipment and techniques that have been developed are: Conservation camp bus, fire camp office trailer, fire trucks, fire pumps, safety blankets, air conditioned helmet, pruning and brushing saw, air tanker impact tests to set up safety procedures, retardant drop tests to determine the effectiveness of the various chemicals used, development of new fire retardants, and modification of the handy talkie radios.

Fire Prevention Research

This is a co-operative research activity involving the State Division of Forestry, the California Region of the United States Forest Service and the Pacific Southwest Forest and Range Experiment Station under a contract with the School of Public Administration of the University of Southern California.

The basic objective is to ascertain the effect of a fire prevention program. The goal is to discover what the forest users know about fire prevention, where they learned their information and what types of prevention action are most effective in changing their habits when such change is needed.

Much time and money are spent each year in forest fire prevention programs. This effort can be largely wasted if the prevention program does not reach the people responsible for setting the majority of the fires.

The prevention campaign which assumes that forest fires are caused through ignorance is bound to fail if most fires are in fact caused by indifference to the values at stake or lack of moral responsibility for community property. It has been well established that there is a definite correlation between attitude and behavior. In large measure, attitude depends on the extent of public knowledge about the subject. In order

Division of Forestry—Continued

to get the most for our fire prevention dollar, we must determine not only what the attitudes are towards fire prevention but also measure the level of fire preventive knowledge. We then should be able to design our prevention effort so as to be most effective in increasing knowledge and developing the necessary attitude.

Parenthetically, the Pacific Southwest Forest and Range Experiment Station has been working on the problem of measuring prevention effectiveness. The studies have indicated that the effectiveness can only be measured either by some public opinion type survey or by controlled experiment. Using a public opinion survey, the following has been observed:

1. Men scored consistently better than women in fire prevention knowledge.
2. People in the 25 to 50 year age bracket had the most accurate fire prevention knowledge.
3. In general, knowledge of fire prevention paralleled quite closely to general educational and intellectual levels.
4. Length of residence in California did not affect the scores but length of residence in a given locality had a very marked effect.
5. Fire prevention attitude seems to be better on the part of the urban dweller, while the rural residents have more accurate information on the subject.
6. The mass media program has met outstanding success in forming good attitudes toward fire prevention in the metropolitan locations but has not given enough specific detailed information on fire safety. It was ineffective in the rural areas where the local people cause most of the fires.

In addition to this study the University of Southern California School of Public Administration has completed the first phase of a study to determine the psychological effects of fire law enforcement. It has been financed entirely by federal funds. Originally it had the objective of developing the framework for a larger scale research study to determine the attitude of the public toward law enforcement in general. A limited study on the San Bernardino National Forest indicates that most people think that fire laws are important; however, they claim that it is difficult to get enough information to keep from breaking the law. Also, it appears that most fire laws are broken due to ignorance rather than due to willful violation of the law. Moreover; the study indicates an apparent indifference to surroundings or lack of knowledge of the fire laws on the part of persons convicted of fire law violations.

Hazard Reduction on Southern California Brush Watershed

This research project has also been known as the "fuel break" program. It has been under the direction of the Pacific Southwest Forest and Range Experiment Station and has included co-operation with the Los Angeles County Fire Department, the California Region of the United States Forest Service and the Davis Campus of the University of California. Studies include both basic and applied research.

Division of Forestry—Continued

The objective is to break up vast expanses of brush into small, manageable units for ease of fire control. All funds have been contracted to the experiment station, however, much additional money has been spent by the division through the use of its own personnel and equipment.

The basic research by the experiment station includes long-term studies designed to examine green fuel moisture content in the native plants, and determine whether less flammable plants might be adaptable to the Southern California conditions.

Action programs include the establishment of fuel breaks along main ridges and roads and in recently burned-over areas. Different methods of removing or killing brush have been compared as to cost and effectiveness. Several brush-killing chemicals have been tested as have several plants for new cover types.

Many positive results have already been obtained from this project and it is our opinion that it is probably the most effective phase of the division's research program.

Forest Growth Prediction

The objective is to develop methods of more adequately ascertaining the growth within various timber types. A forester depends upon tables developed from research projects such as this in predicting the timber volume that will occur in future years.

The project is being handled under a contract with the School of Forestry of the University of California at Berkeley.

Seed Tree Effectiveness

The objective is to ascertain the effectiveness of a seed tree in the reproductive process. This type of research would have a bearing on the rules promulgated by the Forest Practices Act Committees as to the number of seed trees that are to be left in a logging operation. The project is being handled under a contract with the School of Forestry of the University of California at Berkeley.

Physiology and Ecology of Bark Beetles

The object of the study is to gain a more accurate knowledge of the physiology and ecology of the Bark Beetle, which causes a tremendous loss of timber. It, too, is handled under a contract with the School of Forestry of the University of California at Berkeley.

Development of Uses of California's Hardwoods

The object is to develop the use of California hardwoods in the lumbering industry. At the present time, most of California's lumbering industry uses only the soft woods such as the pines and firs. This project is being handled under a contract with the Forest Products Laboratory of the University of California, located in Richmond.

Interception and Use of Water by Herbaceous Vegetation

This project is supplemental to the San Dimas Experiment Station Project which is covered under another budget item.

Division of Forestry—Continued

Dwarf Mistletoe Control

The objective is to gain more knowledge of dwarf mistletoe so as to establish more suitable control measures. It is handled under a contract with the School of Forestry of the University of California at Berkeley.

Rodent Control

The objective is to ascertain the effect of mice, rats, squirrels and other rodents on the reproduction of forest growth with a view of obtaining better control methods. It is being handled under a contract with the School of Forestry of the University of California at Berkeley.

"X" Disease

The objective is to ascertain the nature and classification of an unknown disease which is attacking the coniferous trees in Southern California. It is being handled under an agreement with the School of Forestry of the University of California at Berkeley.

Department of Natural Resources

DIVISION OF MINES

ITEM 191 of the Budget Bill

Budget page 489

FOR SUPPORT OF DIVISION OF MINES
FROM THE GENERAL FUND

Amount requested -----	\$673,766
Contribution to State Employees' Retirement System -----	33,211
Total -----	\$706,977
Estimated to be expended in 1960-61 fiscal year -----	701,191
Increase (0.8 percent) -----	\$5,786
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

This item provides for the general support of the Division of Mines which is one of seven divisions comprising the Department of Natural Resources.

Policies for management of the division are established by the Director of Natural Resources through advice of the State Mining Board which consists of five members appointed by the Governor for a term of four years. The headquarters office of the Division of Mines is located in the Ferry Building in San Francisco and branch offices are maintained at Los Angeles, Sacramento and Redding.

Administration of the Division of Mines is governed through provisions of the Public Resources Code which provides that the Division of Mines shall make, facilitate and encourage special studies of the mineral resources and industries of the State of California and maintain, in effect, a bureau of information concerning the mineral industry.

The following tabulation depicts the growth of the Division of Mines since the 1954-55 fiscal year:

Division of Mines—Continued

<i>Fiscal year</i>	<i>Budget</i>	<i>Personnel</i>
1954-55	\$471,613	53.5
1955-56	488,761	52.2
1956-57	545,747	56.0
1957-58	638,496	58.4
1958-59	668,454	59.4

Since the division's workload is closely related to the activity of California's mineral industry, a review of the industry's growth is of interest. Since 1910, the production of metals such as gold, copper and chrome has ranged between 10 and 75 millions of dollars a year. The nonmetallics such as gypsum, sand and gravel followed the same range up until 1940, then climbed to approximately \$350 million a year in 1956 and have leveled off at that point. The fuels, such as natural gas and petroleum, have represented most of the mineral production in California since 1915. However, petroleum production has been dropping for the past six years. At the present time, the fuel group represents approximately 75 percent of the State's total mineral production. Since the workload of the Division of Mines does not directly involve the production of oil and gas, it can be seen that its workload has remained relatively static over the past five years and we can reasonably expect it to remain so in the foreseeable future.

ANALYSIS

The budget under consideration contemplates a continuance of the existing level of service. Salaries and wages have been increased by \$8,545 which can be attributed to last year's general salary increase and merit salary adjustments.

It should be pointed out that the actual contemplated expenditures for this phase of the Division of Mines budget is \$729,581 of which \$706,977 comes from the General Fund and \$22,604 from the State Lands Act Fund as reimbursements for administration of the mineral research and field study program which is supported from a special fund, the State Lands Act Fund.

The budget has eliminated the position of guard-janitor in San Francisco for a savings of salary and wages of \$4,980 and proposes the authorization of one junior-intermediate typist-clerk to handle an existing workload in the depository and distribution center for topographic maps and aerial photographs. The new position will require \$3,996 for salary, \$100 for operating expenses and \$495 for additional equipment, bringing the total to \$4,591, exclusive of retirement contributions.

A significant increase in this phase of the division's budget is the increase of \$27,292 for "rent-land and buildings" under operating expenses. This is primarily due to increases in the San Francisco office which is leased from Harbor Board as follows:

1. The 1960-61 budget allowed for only six months rent for the office expansion.
2. The renegotiated lease increased the basic square foot rent fee.

We recommend approval of this item as submitted.

Department of Natural Resources
DIVISION OF MINES

ITEM 192 of the Budget Bill

Budget page 490

**FOR ADDITIONAL SUPPORT OF THE DIVISION OF MINES
 FROM THE STATE LANDS ACT FUND**

Amount requested	\$169,315
Contribution to State Employees' Retirement System	4,950
Total	\$174,265
Estimated to be expended in 1960-61 fiscal year	173,502
Increase (0.4 percent)	\$763
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

This budget item provides for support of the mineral research and field study program of the Division of Mines. Through Senate Concurrent Resolution 33 of the 1959 General Session, the Division of Mines was directed to prepare a program and tentative budget to provide research and field studies on mineral utilization, beneficiation of ores, commodity research, petrographic and mineralogic research, mining methods and mines problems, and for the augmentation of these services as a co-ordinating agency for information relating to the mineral industry of California. In response thereto the division submitted a budget augmentation of \$139,500 for the 1959-60 Fiscal Year Budget. This was to provide for appropriate space, technical equipment, two highly trained, specialized technical personnel, two laboratory technicians, one intermediate typist-clerk and monies for undertaking cooperative programs with the universities and the United States Bureau of Mines. The 1960-61 Fiscal Year Budget provided for an additional geophysicist, an additional geochemist and two additional geologic aides in addition to an additional intermediate typist-clerk.

ANALYSIS

The actual expenditures under this year's budget for support of the mineral research and field study program is \$146,711. The remaining \$22,604 is a reimbursement to the Division of Mines for pro rata charges made due to the fact that the mineral research and field study program is financed from a special fund, the State Lands Act Fund.

When the contribution to the State Employees' Retirement System is also considered, \$151,661 will be expended for support of the mineral research and field study program, which represents a decrease of \$5,225 from last year's expenditures. This apparent decrease in expenditures is somewhat misleading in view of the fact that the 1960-61 Fiscal Year Budget estimates a salary savings of \$21,960 or approximately one-third of the total salaries and wages for the mineral research and field study program, which is out of proportion. The estimated salary savings for the 1961-62 fiscal year has been reduced to \$5,000.

Additionally, there has been an increase from \$62,772 to \$65,898 under salaries and wages. Moreover, it should be pointed out that the total operating expenses have increased from \$70,741 to \$78,227 in the

Division of Mines—Continued

1961-62 fiscal year. There has, however, been a substantial decrease in equipment from \$42,289 to the \$7,586 requested in the 1961-62 Fiscal Year Budget.

Even though approximately 18 months has elapsed since the Legislature provided funds for the expansion of the Division of Mines mineral research program, the only progress made thus far has been in the "contractual services" for which \$35,000 was provided the 1959-60 fiscal year and \$50,000 in the 1960-61 fiscal year. The larger part of these funds for contractual services have been allocated to the United States Bureau of Mines on a matching basis to support three research projects in the fields of mineral beneficiation and mining. The necessary laboratory space has not yet been made available even though work in this direction through appropriate channels was undertaken as soon as notice of the budget augmentation was received by the Division of Mines. It is expected that the earliest occupancy in the San Francisco Port Authority facility in the Ferry Building will be January 1, 1961. As we pointed out in last year's analysis, it was expected the division would experience a great deal of difficulty in recruiting personnel for the highly technical research positions. That observation has been confirmed by the fact that at the time that this analysis went to press the division has still not been able to hire the needed personnel. Equipment for the research program (for which approximately \$80,000 has been appropriated since July 1, 1959) has been purchased by the Division of Mines and is now stored in San Francisco pending solution of the space and personnel problems.

The budget under consideration here provides for a continuation of the 1960-61 fiscal year level. The 3.3 percent decrease amounting to \$5,225 is primarily attributable to an adjustment made in estimated salary savings and adjustments made in operating and equipment expenses.

It should be pointed out that the program level contemplated by the budget represents only a portion of the planned expansion. The expansion was to be made in yearly increments for five years through augmentation of the research programs administered by the Division of Mines and the University of California. The accumulated cost at the end of the five-year period was projected to be \$959,000 for the Division of Mines and \$635,000 for the University of California, for a total cost of \$1,594,000. Annual operating costs subsequent to that five-year period were estimated to be \$280,000, but the above figures fail to anticipate any increased level of salary or operating expenses.

We recommend approval of this item as submitted.

Department of Natural Resources
 DIVISION OF MINES

ITEM 193 of the Budget Bill

Budget page 491

FOR SUPPORT OF GEOLOGIC EXPLORATION IN CO-OPERATION WITH
 THE U. S. GEOLOGICAL SURVEY, FROM THE GENERAL FUND

Amount requested	\$30,000
Estimated to be expended in 1960-61 fiscal year	35,000
Decrease (14.3 percent)	\$5,000
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

For a number of years the Division of Mines has co-operated with the U.S. Geological Survey in a survey of mineral deposits in California. Cost of these projects has been shared by the State through its Division of Mines. By participating in the cost, the State receives data, maps and reports which would otherwise cost considerably more.

ANALYSIS

In 1959, the Geologic Division of the Geological Survey had 44 projects underway in California on geologic mapping, geophysical investigation, paleontologic and mineral studies and related activities of fundamental importance to development of the State's mineral resources. Five of these projects were co-operative work especially focused on geologic mapping of mineralized regions and supported by matching funds of the federal government and the State. These are long-range programs designed to yield basic and detailed information on geological occurrence of minerals of possible economic value. The specific product in each case consists of maps and reports which may be published by the Division of Mines or the U.S. Geological Survey. Contemplated projects for the 1960-62 period are:

Southern California Mountains; geologic structure and stratigraphy in a region noted for its former production of placer and lode gold and of interest for exploration for asbestos, chrome and nickel.

Sierra-Nevada Foothills Mineral Belt; complex structure and stratigraphy of the Mother Lode.

Eastern Sierra-Nevada; geologic mapping and investigation of occurrence of tungsten deposits.

Coast Ranges; basic study of the widespread Franciscan Formation including associated serpentine.

Sears Lake; geology and saline deposits.

Furnace Creek; evaluation of the resources of the district.

The budget under consideration provides for a \$5,000, or 14.3 percent, decrease from last year's appropriation. The Division of Mines states that this is an arbitrary cut made in the interest of economy which they hope to restore in a subsequent year. *We recommend approval of this item as submitted.*

Department of Natural Resources

DIVISION OF MINES

ITEM 194 of the Budget Bill

Budget page 491

FOR SUPPORT OF STATE GEOLOGIC MAP
FROM THE GENERAL FUND

Amount requested -----	\$15,754
Estimated to be expended in 1960-61 fiscal year -----	15,795
Decrease (0.3 percent) -----	\$41
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

The primary objective in preparing a state geologic map is to show regional relationships of the various rock and formations. Second is to present the detailed geology, commensurate with the scale of the map, for as many areas as the information is available. Another objective is to convey to the public the mass of geologic data contained in unpublished work which is otherwise unavailable or limited in its distribution. A byproduct in preparing a state geologic map is the inventory made of inadequately mapped areas. Such an inventory serves scientists, industry, governmental agencies, university staffs and personnel of the Division of Mines in planning future detailed geologic work.

The geologic map is of basic importance not only to mineral and petroleum exploration, but also to civil engineering, ground water development, land utilization planning, soil vegetation study and industrial development as a whole. For these purposes, the map reveals the regional setting as well as details to an extent which is commensurate with the accuracy of the topographic and cultural base maps now available.

Financing of reproduction of the state geologic map sheet is set up on an anticipated 100 percent reimbursement plan.

Three geologists are working on the map full time, aided by other staff members on an occasional basis. Their salaries come from the general support item from the Division of Mines.

ANALYSIS

According to the printed budget, the net total cost of \$15,754 for publishing the state geologic map during the proposed 1961-62 fiscal year is \$41 or 0.3 percent less than the cost during the preceding fiscal year. A closer analysis reveals that some wishful thinking is necessary to accomplish such a savings. It will be noted that the "rent—building space" has been increased by \$2,459, which is due to an expansion and improvement of office facilities in San Francisco. It will also be noted that the "sale of publications" has been increased by \$2,500 resulting in the \$41 difference. An analysis of the 1957-58, 1958-59 and 1959-60 fiscal year budget appropriations and expenditure records indicate that the estimates of the Division of Mines as to its reimbursements from the sale of publications of the State Geologic Map have been quite inaccurate. For the 1957-58 fiscal year they estimated a sale of \$5,000 and actually received nothing. In the 1958-59 fiscal year they estimated

Division of Mines—Continued

a sale of \$5,000 whereas they received only \$3,566. In the 1959-60 fiscal year they estimated a sale of \$15,000, whereas, they sold only \$9,434, representing 62.9 percent of their estimate. In view of this past experience it is debatable whether the Division of Mines will be able to balance its books at the conclusion of the 1961-62 fiscal year. It may be only coincidental that the increased cost of rent of approximately \$2,500 has been compensated for by an expected increase in sale of publications of \$2,500. Basically the cost has been increased by \$2,459 or 9.5 percent.

We recommend approval of this item as submitted.

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

ITEM 195 of the Budget Bill

Budget page 492

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

Amount requested	\$775,271
Contribution to State Employees' Retirement System.....	48,224
Total	\$823,495
Estimated to be expended in 1960-61 fiscal year.....	821,423
Increase (0.3 percent)	\$2,072

TOTAL RECOMMENDED REDUCTION..... None

GENERAL SUMMARY

Support of the division is derived entirely from charges imposed directly upon operators of producing oil and gas wells. These charges are based upon amounts of oil and gas produced. Each year the department makes an estimate of the amounts necessary for each fund and then apportions the charge to each producer according to the amount he produced during the preceding calendar year. Levies for the Subsidence Abatement Fund are made only upon producers within each subsidence area established according to law.

This agency was established in 1915 as an adjunct to the State Mining Bureau. In 1929 it became the Division of Oil and Gas of the newly established Department of Natural Resources.

The division has its headquarters in San Francisco and maintains district field offices in Bakersfield, Coalinga, Inglewood, Santa Maria, Santa Paula, Taft and Woodland.

The primary functions of the division are

(1) to supervise the drilling, operation, maintenance, and abandonment of oil and gas wells so as to prevent damage to the oil or gas deposits, loss of oil, gas or reservoir energy and damage to underground or surface fresh waters;

(2) to administer and supervise repressuring operations, to arrest or ameliorate subsidence in areas that contain producing oil or gas pools and is subject to danger of inundation by the sea. The latter program

Division of Oil and Gas—Continued

is supported from the Subsidence Abatement Fund which is the subject of the following budget item.

The regular work of the Division of Oil and Gas under the Petroleum and Gas Fund falls into several categories as follows:

(1) Analyzing and replying to proposals of operators to drill, rework or abandon oil or gas wells or to conduct water flooding or other types of secondary recovery operations, or to dispose of waste waters underground. For this purpose it is essential to have all the information possible as to the underground structure of each oil or gas field. To that end, cross sections and contour maps are constructed and production reports maintained.

(2) Field inspections of oil and gas wells during the process of drilling, reworking, maintenance, and abandonment. These inspections or tests are made on a 24-hour basis, every day in the year. The purpose is to see that wells are equipped and constructed with the proper amounts of casing, cement or other materials or devices to prevent waste of or damage to oil, gas or fresh water deposits.

(3) Maintenance of oil field maps and wildcat maps. These are required for division use and are also a great convenience to operators and the public who can buy the maps at cost.

(4) The maintenance of records of production. This is a function essential to proper handling of proposals to do work upon wells or to conduct secondary recovery or water disposal operations.

(5) Publication of reports or articles on oil or gas fields or related subjects. This phase of work is valuable to both the division engineers in their daily work and to the oil operators or those interested in oil development. The publications are based upon work done relative to the proposals to drill, rework, or abandon oil or gas wells, much of which is far less available for future use or preservation if it is not put into print in a finished form. This phase of the division's program is accelerated or diminished according to the fluctuations of drilling activity. There is an estimated backlog of 10 years of unfinished work in this category with the present staffing of the division.

(6) Publication of statistics of oil and gas well drilling and production. These are specifically required under the law and are widely used in the industry and by the division itself.

(7) Publication of special articles or reports of interest to the public in oil and gas industry. In this category the "Oil and Gas Primer" was issued in 1956 and has been reprinted several times. Currently, the division is in the process of publishing, in two volumes, data and map sheets for every oil and gas field in California. The number of fields or areas to be covered is estimated at about 450. Part I, covering the San Joaquin Valley-Sacramento and north coastal region, will be issued in January of 1961. Part II, covering the Los Angeles-Ventura Basins and central coastal region, is programed for the latter part of 1961. A comprehensive report of offshore drilling and production is also contemplated. This activity also fluctuates with the time required for field tests.

Division of Oil and Gas—Continued

Any engineer who is not engaged in the mandatory functions is channeled into the research and publications projects.

The workload of the division is predicated upon the oil and gas production in the State. For the past six years the production of oil and gas in California has been on the decline, and there are no predictions that the trend will reverse itself in the near future. Therefore, it is not expected that the overall workload of the Division of Oil and Gas will materially increase in the near future. As previously pointed out, there is a present backlog of about 10 years of unfinished work in the category of publishing reports or articles on oil and gas fields. As that period elapses, we can expect the personnel complement of the Division of Oil and Gas to be reduced.

ANALYSIS

This phase of the division's budget provides support for its general operations and contemplates a continuation of its existing level of service. There has been an increase of \$6,892 in salaries and wages, primarily attributable to salary increases; an increase of \$2,109 for printing, primarily due to the publishing of the data and map sheets of the oil and gas fields of California; and an increase of \$2,330 in rent-land and buildings, which was caused by an increase in several lease arrangements. These increases have been offset by a \$10,220 decrease in equipment purchases. Therefore, the net increase is \$2,072 or 0.2 percent.

We recommend approval of this item as submitted.

Department of Natural Resources
DIVISION OF OIL AND GAS

ITEM 196 of the Budget Bill

Budget page 493

FOR SUPPORT OF SUBSIDENCE ABATEMENT OPERATIONS
FROM THE SUBSIDENCE ABATEMENT FUND

Amount requested	\$86,176
Contribution to State Employees' Retirement System	4,968
Total	\$91,144
Estimated to be expended in 1960-61 fiscal year	89,745
Increase (1.6 percent)	\$1,399
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

The Division of Oil and Gas also administers the State's program to arrest or ameliorate subsidence in areas that contained oil or gas pools and are subject to danger of inundation by the sea. The program was instituted in 1958, particularly to combat the sinking of land in the Wilmington Oil Field of the Long Beach Harbor area in Los Angeles County. Support for this function comes from a special levy simi-

Division of Oil and Gas—Continued

lar to the Petroleum and Gas Fund, but upon producers in the subsidence area only. The initial levies under this program were necessarily higher in order to return a loan of \$250,000 to the Investment Fund.

The work of the division under this program is as follows:

1. Conduct hearings requested or required under the law which involves preparation of maps and data and the issuance of orders pursuant to the decisions.
2. Analysis of and replies of proposals for repressuring operations. This involves the maintenance of records of flooding progress and results and studies of the underground structures of the areas involved.
3. Constant checking of progress results of repressuring operations to see that terms of approvals and orders are carried out. The purpose is to achieve the arrestment of subsidence and to prevent damage to or loss to recoverable oil.
4. Completion of engineering studies of any areas that are deemed essential for checking purposes where there is a lack of competent study by any operators.
5. Administration of the compulsory utilization or eminent domain features of the law, if and when these processes are invoked. Tentative positions were set up for this function in previous budgets, but positions were not filled and will not be filled until required. Every effort is made to secure repressuring operations under voluntary unitization or co-operative agreement, but the possibility exists that the compulsory sections may have to be utilized. At the present time, there is no indication that this phase of the division's workload will be expanded.

ANALYSIS

The Budget contemplates a continuation of the existing level of service. The increase of \$1,399, which represents 1.6 percent of last year's expenditure, is primarily attributable to merit salary increases. *We recommend approval of this item as submitted.*

**Department of Natural Resources
DIVISION OF RECREATION**

ITEM 197 of the Budget Bill

Budget page 495

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

Amount requested	\$128,662
Contribution to State Employees' Retirement System	6,199
Total	\$134,861
Estimated to be expended in 1960-61 fiscal year	121,386
Increase (11.1 percent)	\$13,475
TOTAL RECOMMENDED REDUCTION	\$13,066

Division of Recreation—Continued

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Salaries and Wages:			
1 Recreation specialist-----	\$8,112	496	29
Operating expenses for recreation specialist-----	4,604	496	41
Out-of-state travel-----	350	496	37

GENERAL SUMMARY

Pursuant to Chapter 1239, Statutes of 1947, the California Recreation Commission was established, consisting of seven members appointed by the Governor. The commission was visualized as a policy-making body that would hire a person broadly qualified in recreation as the State's Director of Recreation. The Recreation Commission and its staff were given the primary mission of preparing an overall policy for future recreational development in the State. As of the 1957 General Session, this mission had never been accomplished.

As a result, the Legislature, through enactment of Chapter 2318, Statutes of 1957, established the California Public Outdoor Recreation Plan Committee for the purpose of preparing such a plan.

Through Chapter 1808 of the 1959 Statutes, the Legislature added the Division of Recreation to the Department of Natural Resources, transferred the staff of the Recreation Commission to the newly formed division and continued the Recreation Commission as a policy formulating body within the Department of Natural Resources. The legislation established the following mandatory functions of the Division of Recreation:

1. Assist the Recreation Commission in the performance of its functions.
2. Investigate and report to the Director of Natural Resources and the Recreation Commission upon the facilities and services which are needed or which exist in the public recreational areas of the State and, by consultation with the authorities in charge, assist in the co-ordination and development of recreation programs, provided however that surveys of the recreational facilities and programs of local agencies shall be made only upon their request.
3. Advise and co-operate with and encourage community recreational agencies interested in the use of, or development of recreational facilities and programs for public benefit.
4. Advise the administrative officers of all the state agencies authorized by law to perform recreational services of regular meetings of the commission or special meetings which may consider matters relating to their specific responsibility and invite such officers to attend and participate in deliberations of the commission without the authority to vote.
5. Make studies and surveys and long-range plans for recreational facilities and programs necessary to meet recreation needs throughout the State and participate with other federal, state and local governmental agencies in advance planning with respect to the development and co-ordination of recreational facilities and programs.

Division of Recreation—Continued

6. Aid and encourage, but not conduct, public recreation activities.

The division is also permitted to engage in the following activities:

1. Encourage and render assistance in the promotion of training programs for volunteer and professional recreational leaders with co-operation of other agencies, organizations and institutions and encourage the establishment of standards for recreation personnel.
2. Assist every department, commission, board, agency and officer of the State in offering recreational services in conformity with their respective authorized powers and duties and encourage and assist in the co-ordination of federal, state and local recreational activities.

The California Public Outdoor Recreation Plan Committee, through enactment of Chapter 2318, Statutes of 1957 was created for a twofold purpose. First of all, the committee was to undertake an inventory of the existing facilities, areas and opportunities available for public outdoor recreation and determine the nature of an estimate of the needs for public outdoor recreation, coupled with an investigation and an analysis of the authority of the several segments and levels of government in the field of public recreation. Secondly, from the information obtained from the first phase of this assignment, the committee was to develop and recommend to the Legislature a definite California public outdoor recreation plan.

Before further discussion of the plan, perhaps it would be well to review the state government's activity in public recreational planning. In 1945 in his opening message to the Legislature, the Governor recommended “. . . the creation of a division of state government to be charged with the responsibility of fostering and encouraging the expansion of recreational programs. It should have the authority to promote by advice and leadership recreational and community programs throughout the State. It should formulate programs which will lead to increased use of our many existing state-owned parks and beaches and it should render service to all groups concerned with the enlargement of opportunity in the fostering of public use in California's unexcelled recreational advantages.”

In his inaugural message of 1947, the Governor became more specific and recommended that there be created “. . . in the Department of Natural Resources, a Division of Recreation to co-ordinate the activities of the various state agencies which have an interest in this field and to serve our cities and counties in developing a more effective use of our mountain parks and our beaches.” Through enactment of Chapter 1239, Statutes of 1947, the Legislature created a recreation commission and charged it with the responsibility of studying and considering the whole problem of recreation of the State as it might affect the welfare of the people, especially the children, and to formulate in co-operation with other state agencies, interested organizations and citizens, a comprehensive recreational policy for the State of California. The Governor was authorized to appoint a Director of Recreation who was to investi-

Division of Recreation—Continued

gate and report to the commission upon the facilities and services which where needed or existed in the public recreational areas of the State and by consultation with the authorities in charge of active agencies, assist in the co-ordination and development of recreational programs, provided that surveys of the recreational facilities and programs of local agencies were to be made only upon their request.

The first recreation commission was appointed by the Governor on September 17, 1947, and upon the recommendation of the recreation commission, the Governor appointed the Director of Recreation on December 19, 1947. The enabling legislation appropriated \$79,000 to the commission in the 1947-48 fiscal year and the Department of Finance established a total of 10 positions. Under the enabling legislation, the recreation commission and its staff were given the primary mission of preparing an overall policy for future recreational development in the State of California. By early 1957, the commission and its staff had not completed an inventory of recreational facilities in California, nor had an overall policy for recreational development in the State of California been prepared. Furthermore, it was evident to the Legislature that those who proposed recreation programs had failed to give realistic cost estimates, establish effective priorities or long range policies. There were no long range plans for state acquisition. There was a diversity of opinion as to whether the State should develop its coastline, its interior valley recreational facilities or the mountain recreational areas. The Legislature was rightfully concerned as to whether available funds should be used first to purchase redwoods, another small town or enhance a local recreational facility.

As a result, the Legislature established the California Public Outdoor Recreation Plan Committee with the specific assignment of making an inventory of our existing recreational facilities and formulating a State Recreation Plan. This plan was to be developed by the individual agencies working in concert with one another and bringing together a definite plan with priorities, probable cost figures and recommendations for action in every phase of recreation. As we see it, Part I of the report does classify the types of recreation activities peculiar to California. The report recommends that recreation usage of highways will continue to increase and therefore demands a high priority for highway location, design and appearance. Advance highway programs concerned with areas of recreation value and development of highway roads to serve each area should be regularly continuing functions of the State. The State should provide wayside areas such as rest stops, turnouts and scenic overlooks located to serve travelers with a minimum use by local residents. However, the Legislature recognized this in making initial appropriations for a roadside rest program prior to 1957 when it organized the Public Outdoor Recreation Plan Committee. At that time it wanted to know where to put these rest stops on highways and how much the highways and rest stops were going to cost and what priority should be established in constructing such facilities. We suggest that the plan asked for by the Legislature when it

Division of Recreation—Continued

established the California Public Outdoor Recreation Plan Committee has not yet been presented. This plan was due on March 1, 1960, and is now overdue. We believe that such a plan should concern itself primarily with basic guide lines by which the Legislature can provide the people of the State of California with adequate recreational facilities and on the basis of which the federal and local governments can be encouraged to participate in such a program.

The only concrete recommendation made by the report thus far presented is that the personnel complement of the Division of Recreation of the Department of Natural Resources be expanded so as to do the job that was assigned to the committee in the first place by the Legislature in 1957 and to the Recreation Commission in 1947. Such a request must be closely scrutinized.

It is noteworthy that in the 13 years since the Legislature created an agency to formulate a recreation plan, the State has spent about \$3 million and we still do not have such a plan.

The California Outdoor Public Recreation Plan Committee has not been financed beyond July 1, 1960, insofar as per diem expenses for committee membership are concerned. The committee, nevertheless, has continued to function on an "ad hoc" basis, meeting as required without payment of expenses. However, the committee's staff engaged in preparing the report, especially Part II, has continued to function on the basis of assignments from other state agencies with their salaries being part of their own agencies' budgets. At present, an editor is being furnished by the Division of Mines, a recreation planner is being furnished by the Division of Beaches and Parks, a recreation specialist is furnished by the Division of Recreation and a senior stenographer-clerk is being furnished by the Division of Administrative Services. Additionally, the Chief of the Division of Recreation, the Deputy Director of the Department of Natural Resources and the accounting officer of the Department of Natural Resources have expended a considerable amount of time on preparation of the second phase of the report.

Records of the Department of Natural Resources indicate that a total of \$18,331.33 has been spent between July 1 and November 30, 1959, for salaries and travel expenses for the above mentioned personnel. This is divided between budget items as follows:

Division of Administrative Services -----	\$2,982.95
Division of Beaches and Parks -----	3,220.00
Division of Mines -----	4,999.25
Division of Recreation -----	4,960.00
Emergency Fund -----	2,169.13
Total -----	\$18,331.33

The monies from the Governor's Emergency Fund were paid to three consultants who had previously worked for the California Public Outdoor Recreation Plan Committee.

ANALYSIS

The proposed budget contemplates an expenditure of \$134,861, which is a \$13,475 or 11.1 percent increase from the estimated 1960-61

Division of Recreation—Continued

expenditure of \$121,386. A total of 9.7 positions are presently authorized for the Division of Recreation. The division is requesting one additional recreation specialist.

One recreation specialist (budget page 496, line 29)----- \$8,112

This position is requested by the agency on the basis that it is needed to analyze the data developed by the California Public Outdoor Recreation Plan Committee.

We recommend deletion of the position, reducing salaries and wages \$8,112 and operating expenses \$4,604 for a total of \$12,716.

During the first half of the 1960-61 fiscal year, one recreation specialist was assigned full time to the California Public Outdoor Recreation Plan without any apparent disruption in the Division of Recreation's normal activities. It should be pointed out that most of the division's activities fall within permissive functions rather than the functions which are made mandatory by the Public Resources Code. From the experience gained during the first six months of the 1960-61 fiscal year, it is apparent that the present staffing of the Division of Recreation is capable of carrying on its past level of activities and also to undertake the workload envisioned by this budget request.

We recommend deletion of \$350 from out-of-state travel (budget page 496, line 37).

Under operating expenses, it is proposed that \$750 will be expended for travel out of state. Of this, \$400 is proposed for the division chief to participate in the National Recreational Congress in the fall of 1961, probably to be held in Chicago. The remaining \$350 is for the division chief to participate in sessions of the National Conference on State Parks in the fall of 1961, probably in Michigan. It should be noted that the Division of Beaches and Parks has budgeted \$1,000 for sending its division chief and deputy chief for operations to the same conference. It would appear that the representatives from the Division of Beaches and Parks will be able to adequately represent the State of California and since the representatives from the Division of Beaches and Parks are directly involved in the state park program, whereas, the chief of the Division of Recreation is only collaterally involved, we recommend deletion of this out-of-state travel authorization from the Division of Recreation's budget.

**Department of Natural Resources
DIVISION OF SMALL CRAFT HARBORS**

ITEM 198 of the Budget Bill

Budget page 497

**FOR SUPPORT OF THE DIVISION OF SMALL CRAFT HARBORS
FROM THE GENERAL FUND**

Amount requested -----	\$74,826
Contribution to State Employees' Retirement System -----	3,925
Total -----	\$78,751
Estimated to be expended in 1960-61 fiscal year -----	77,714
Increase (1.3 percent) -----	\$1,037
TOTAL RECOMMENDED REDUCTION -----	None

**Division of Small Craft Harbors—Continued
GENERAL SUMMARY**

This phase of the division's budget provides support for the boat regulation and registration program.

Chapter 1454 of the 1959 Statutes require that the division handle certain phases of the registration of small boats. The actual registration program has been handled by the Department of Motor Vehicles. As of December 31, 1960, 226,897 boats had been registered, and a total of \$1,193,948 was collected in registration fees. Of this amount, \$1,040,040 was collected during the 1959-60 fiscal year, and \$153,918 during the first six months of the 1960-61 fiscal year. These moneys are deposited in the General Fund.

The division had originally estimated that the registration program would develop \$1,521,000 in revenue during the 1960-61 fiscal year. This is about one-half million more than actually developed.

ANALYSIS

The budget proposes an expenditure of \$78,751 which is \$1,037 or 1.3 percent more than is estimated will be expended during the 1960-61 fiscal year. There is an increase of \$2,198 in salaries and wages, which is offset by a \$561 reduction in operating expenses and a \$776 reduction in contemplated equipment purchases.

We recommend approval.

**Department of Natural Resources
DIVISION OF SMALL CRAFT HARBORS**

ITEM 199 of the Budget Bill

Budget page 497

**FOR SUPPORT OF THE DIVISION OF SMALL CRAFT HARBORS
FROM THE SMALL CRAFT HARBORS REVOLVING FUND**

Amount requested -----	\$194,113
Contribution to State Employees' Retirement System -----	10,678
<hr/>	
Total -----	\$204,791
Estimated to be expended in 1960-61 fiscal year -----	224,759
<hr/>	
Decrease (8.9 percent) -----	\$19,968
<hr/>	
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

The Division of Small Craft Harbors is that administrative unit of the Department of Natural Resources which is responsible for administering the State's Small Craft Harbor and Boat Registration and Regulation Programs.

Support of the division comes from two sources. The revolving fund portion of the budget for the Division of Small Craft Harbors is developed around functions and services required for the administration, analysis, development and continued supervision of the Small Craft Harbor Loan Program.

Division of Small Craft Harbors—Continued

Approximately 30 Small Craft Harbor projects are in process as authorized by the Legislature in A.C.R. 30 (1959) and S.C.R. 3 (1960). These projects involve some \$16.5 million and begin with the application and preliminary planning and analysis phase. As they progress, the nature of the division's workload changes so that greater requirements are developed for the later stages of economic justification and final detail engineering. At the present time, about two-thirds of the projects are in the second stage of development and about one-third of them are in the third or construction stage of development. These later stages require considerably more detail work and on-the-spot inspections to assure that the project proceeds as originally planned and continues to be economically feasible.

It is estimated that the cycle from application to complete construction of a major project is approximately three years. Thus the bulk of the projects under consideration will present increased workload needs for some two to three years hence.

The Small Craft Harbors Revolving Fund is augmented by a \$750,000 annual appropriation from the Motor Vehicle Fuel Fund for planning loans and support of the division. The Legislature has also authorized use of \$5 million from the Investment Fund for construction loans and Proposition 4 of the 1958 General Election provided for the issuance of general obligation bonds up to \$10 million for the same purposes.

The moneys loaned to authorized agencies for preliminary planning purposes from the Small Craft Harbors Revolving Fund are to be repaid to that fund plus interest to be determined by the Controller. Construction loans are to be repaid from the \$5 million fund at a 3 percent rate of interest to the Investment Fund. Money loaned from the \$10 million bond fund is to be repaid, including applicable interest, to retire the bonds. Neither the \$5 million fund nor the \$10 million fund pass through the Small Craft Harbors Revolving Fund.

Actual operation of the small craft harbor facilities constructed by these funds is to be supported from revenues, such as berthing and docking fees.

ANALYSIS

The budget proposes an expenditure of \$204,791, which is a \$19,968 or 8.9 percent decrease from the estimated expenditures of 1960-61. There are no proposed new positions; however, some reorganization of the engineering section is anticipated. To reflect the changing status of the Small Craft Harbors' loan projects, the division feels that it can undertake the readjustments or changes in classifications within the proposed budget.

The decrease is primarily attributable to the fact that there was an augmentation to the 1960-61 Budget from the emergency fund of \$24,000 for professional and consulting services. This item was not budgeted for when the Division of Small Craft Harbors budget was presented to the Legislature during the 1960 Budget Session. The division subsequently contracted with the Arthur D. Little Corporation

Division of Small Craft Harbors—Continued

of San Francisco, California, to conduct economic studies and to furnish a report on the small craft boating market in the San Francisco Bay area. The report is to provide market information which will assist the Department of Natural Resources and the Division of Small Craft Harbors in constructing a program for berthing and launching facilities for small craft harbors in the Bay area. The study is to cover the nine counties of the San Francisco Bay area and will also include Lake Berryessa, Clear Lake and the Delta Region (lying within the triangle bounded by Sacramento, Stockton and Antioch). However, the Lake Berryessa, Clear Lake and Delta areas will be studied merely to learn the extent to which existing facilities therein affect the demand for facilities elsewhere in the region to be studied.

The market research is to fall essentially into three parts:

1. Determination of the existing boating facilities and plans for development or expansion of these facilities within the study area.
2. Determination of present and future demand for boating facilities within the study area.
3. Delineation of market areas within the study area based upon an impartial study of the supply and demand factors and specifications of areas in which demand is found to exceed existing and planned supply of boating facilities.

The final report is to be submitted to the Department of Natural Resources by March 15, 1961.

As a practical matter, however, there has been an actual increase of \$4,032 in this phase of the division's budget of which \$3,247 is directly attributable to merit salary adjustments. This increase partially offsets the decrease in nonrecurring contracted costs.

We recommend approval of this item as submitted.

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

ITEM 200 of the Budget Bill

Budget page 499

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

Amount requested	\$452,153
Contribution to State Employees' Retirement System	24,372
Total	\$476,525
Estimated to be expended in 1960-61 fiscal year	475,501
Increase (0.2 percent)	\$1,024
TOTAL RECOMMENDED REDUCTION	None

GENERAL SUMMARY

The Division of Soil Conservation is the unit of the Department of Natural Resources which is specifically charged with the responsibility of administering the State's soil conservation program, which includes providing assistance to those persons desiring to establish or join an organized soil conservation district as envisioned by the Public Re-

Division of Soil Conservation—Continued

sources Code, assisting the Soil Conservation Commission in administering the grants to soil conservation districts and co-operating with the federal government in the administration of the small watershed planning program which is commonly known as Public Law 566 and officially known as the Federal Watershed Protection and Flood Prevention Program.

California's soil conservation program dates back to 1938 when the Legislature authorized setting up a soil conservation committee to advise and assist in the organization of soil conservation districts. In 1940 the name of the organization was changed to the State Soil Conservation Commission. The Division of Soil Conservation as a division of the Department of Natural Resources was established in 1955 through enactment of Chapter 1680 of the Statutes of 1955. The Soil Conservation Commission was continued at that time as a policy-making body.

A soil conservation district is a local unit of state government, voluntarily organized by landowners under the provisions of the Public Resources Code. Through the soil conservation district it is possible for individual farmers and ranchers, communities and entire watershed areas to undertake programs to conserve soil and water resources by prevention and control of soil erosion and soil deterioration. Improved farm irrigation land drainage, land leveling, land clearing, diversion of runoff, construction of stock water ponds and reservoirs, gully control, channel alignment, bank protection, and promotion of land use in accordance with recognized capabilities are some of the activities included in district programs. A board of directors consisting of five landowners in the district has the local responsibility of managing and conducting the affairs of the district. The board members are elected to office by landowners in the district for terms of four years each. These boards may request the county boards of supervisors to levy a tax, the maximum amount of which is limited in any one year to two cents on each \$100 evaluation of land alone, exclusive of improvements and mineral rights. This tax is not mandatory or automatic. The directors must request that it be levied should they determine that the tax is the best means of raising funds.

Many districts operate without funds, others prefer to raise any needed funds through voluntary contributions, equipment rental or by other means. However, a county board of supervisors may appropriate money from the county general fund for the use of the district in lieu of raising money by special taxation.

The individual farm conservation work is ordinarily financed by the farmer doing the work. After the technical recommendations have been worked out, the conservation practices are generally performed as part of the regular farming operations.

When a district has been organized through assistance provided for by the Division of Soil Conservation, the U.S. Soil Conservation Service provides the technical services. Upon request of the soil conservation district directors, the U.S. Soil Conservation Service assigns the neces-

Division of Soil Conservation—Continued

sary technicians to work with the individual landowner. Additionally, considerable amounts of conservation equipment of all kinds have been loaned or granted to districts by the U.S. Soil Conservation Service.

It should be pointed out that the services provided by the Federal Conservation Service following organization of a soil conservation district are not the only governmental soil conservation services available to a private landowner. In California the Agricultural Extension Service of the University of California and the California State Division of Forestry also provide similar and overlapping services. In some portions of the State, the soil conservation district movement has been very slow in progressing because of the outstanding services provided by other agencies.

As previously mentioned, the Division of Soil Conservation is also responsible for administering the State's participation in the Federal Watershed Protection and Flood Prevention Program, commonly called the Public Law 566 Program. Under this act the U.S. Soil Conservation Service is authorized to conduct investigations and surveys as may be necessary to prepare plans for such works of improvement, make such studies as may be necessary for determining the physical and economic soundness of plans for works of improvement including the determination as to whether the benefits exceed the cost and co-operate and enter into agreements with local organizations to further the program. In order to obtain the federal assistance made available under Public Law 566, the following conditions must be met for each proposed project:

1. Acquire without cost to the federal government such land, easements or rights-of-way as will be needed in connection with the project.
2. Assume such proportionate cost share as determined by the Secretary of Agriculture to be equitable in consideration of the direct identifiable benefits of installing the project which is applicable to the agricultural phase of the conservation, development, utilization and disposal of water and assume all of the costs of installing any portion of the project applicable to other purposes except any part of the construction cost applicable to prevention. There is the further restriction that no such project shall contemplate the treatment of a watershed exceeding 250,000 acres or any single structure which provides more than 5,000 acre-feet of floodwater detention capacity and more than 25,000 acre-feet of total water capacity and it is our understanding that the U.S. Bureau of the Budget has promulgated the additional restriction that no project shall cost in excess of \$5 million.

Chapter 1886 of the Statutes of 1955 enacted the California Watershed Protection and Flood Prevention Law which provides for the State's participation in the Public Law 566 Program. The procedure for obtaining this federal assistance is as follows: The political entity such as a soil conservation district submits a request to the Soil Conservation Commission. Either or both the U.S. Soil Conservation Service and the State Soil Conservation Division then make a reconnaissance-feasibility investigation to determine whether the basic requirements for the federal subvention have been satisfied. When these

Division of Soil Conservation—Continued

have been satisfied, the U.S. Soil Conservation Service approves the project for planning. When such approval is granted, the project work plan is developed by the Watershed Planning Division of the Division of Soil Conservation or a similar section of the state office of the U.S. Soil Conservation Service. Upon completion of a watershed work plan it is submitted to the Washington office of the Soil Conservation Service, the Secretary of Agriculture and the Bureau of the Budget for approval; then to the appropriate congressional committee for consideration. When a project has received congressional approval, the moneys are next appropriated for its construction.

Since its inception, in 1954, actual construction and expenditures in California have amounted to \$2,355,743 or approximately one-quarter of a million dollars per year. At the present time, the federal government has approved five projects in California. The total cost of these five projects is \$15,282,595. The federal appropriations are not made in lump sum for an entire project. Instead increments are appropriated in correlation with the project's progress. As an example, the Central Sonoma Project calls for a total federal expenditure of \$9,858,900. In 1959, \$1,369,900 was appropriated. In 1960, \$339,100, and 1961, \$1,035,600; for a total of \$2,744,600, some of which has not yet been expended. The remaining \$7,114,300 will be provided in similar increments over subsequent years.

Of the \$15,282,595 needed to complete the five projects thus far approved, the federal government has appropriated only a total of \$6,037,662.

As previously pointed out, the State of California must purchase the land easements and rights-of-way for the Public Law 566 projects. Thus far, a total of \$59,161 has been expended for this purpose, at the Adobe Creek Project, \$3,936 and the Arroyo Grande Project, \$55,224. The 1960-61 Budget provides for \$2,220,000 for land easements to be purchased during the current fiscal year. They are as follows:

Buena Vista	\$380,000
Marsh-Kellogg	826,000
Adobe Creek	184,000
Arroyo Grande	19,000
Central Sonoma	811,000
Total	\$2,220,000

It is anticipated, however, that only 60 to 70 percent of this total will be expended during the 1960-61 fiscal year. It should be pointed out that anticipated total rights-of-way moneys required for the five approved projects according to the individual work plans is as follows:

Marsh-Kellogg	\$1,776,200
Buena Vista	711,700
Adobe Creek	160,470
Arroyo Grande	75,000
Central Sonoma	1,863,400
Total	\$4,586,770

Division of Soil Conservation—Continued

It has often been stated by persons engaged in the Public Law 566 Program that for every dollar the State expends it will receive \$20 from the federal government. This is a fallacy. As of the conclusion of the current fiscal year the State will have expended in the neighborhood of \$500,000 for support of the Division of Soil Conservation's Public Law 566 endeavors alone and after it has purchased the necessary lands, easements and rights-of-way for the five approved projects, the State will have spent in excess of \$5 million in direct expenditures. When we compare this to the \$15 million that the federal government will finance, it is apparent that for every dollar the State spends we have received three dollars from the federal government, not \$20.

It might also be pointed out that thus far the State of California has received its share of the nationwide Public Law 566 Program. Our share of the program is comparable to our share of the population, internal revenue paid, and land area.

The Program Development Section of the division is charged with the responsibility of assisting local groups in organizing soil conservation districts. The ultimate goal of the division is that all agricultural, range and timber land in the State be covered by soil conservation districts.

The division developed a five-year plan which anticipated the establishment of 266 districts by the end of the 1960-61 fiscal year. As of June 30, there were only 167 districts so organized, which represents only about 63 percent of the expectations. However, this lack of success is partially compensated by the fact that the average size district in 1955 was about 314,000 acres, whereas, the average district as of June 30, 1960 is 388,000 acres.

Under the provisions of Chapter 1032, Statutes of 1949, the Soil Conservation Equipment Revolving Fund was created for the purpose of enabling the Soil Conservation Commission to purchase, rent and sell equipment or machinery to established soil conservation districts. At that time, the sum of \$1 million was appropriated, but in 1958, \$400,000 was returned to the General Fund since the full amount was no longer required for operation of the equipment program. As of June 30, 1960, a total of \$156,417 was due and payable to the State from several districts that had borrowed from the Equipment Revolving Fund. The Division of Soil Conservation has had considerable trouble in collecting these loan payments and it is now our understanding that this entire matter is now in the hands of the Attorney General.

The federal government, through the U.S. Soil Conservation Service, makes available equipment for soil conservation purposes. Most of this equipment is surplus federal property. Pursuant to the Public Resources Code, the Soil Conservation Commission can accept equipment from the federal government and in turn lease it (at its cost to the commission) or give it to the soil conservation districts. As of October 31, 1960, the policy of the Soil Conservation Commission was that the Division of Soil Conservation is to make available to soil conservation districts only the type of equipment not generally owned by or avail-

Division of Soil Conservation—Continued

able to operators and owners of land within the district. At the time this analysis went to print, it had not been determined whether the Division of Soil Conservation and the Soil Conservation Commission would become involved in this federal equipment program.

ANALYSIS

The budget contemplates a total expenditure of \$476,525 which is \$1,024 or 0.2 percent more than it is estimated will be expended during the 1960-61 fiscal year. A re-estimate of the 1960-61 Budget and administrative action provides for the abolition of one senior soil conservationist and one intermediate typist-clerk for a total salary savings of \$15,606.

It should be pointed out that the division has entered into an agreement with the Division of Beaches and Parks to provide an engineering study of the Bull Creek Watershed in Humboldt County. The study is to be completed prior to the close of the 1961 Session of the Legislature. Two engineering positions, a technical assistant and 0.3 man-years of temporary help have been added to the staff for this work. Upon completion of the contract, the positions so employed will be abolished.

Except as otherwise indicated, the budget provides for a continuation of the existing level of operations for the Division of Soil Conservation.

We recommend approval.

Grants-In-Aid Program

As previously mentioned, the activities of the Division of Soil Conservation include assistance in administering the Grants to Soil Conservation Districts Program. The code provides that \$100,000 shall be transferred annually from the State Lands Act Fund for direct subventions to soil conservation districts and other lesser governmental units for any work that they are authorized to undertake and which the Soil Conservation Commission determines is necessary for the welfare of the people of the State of California.

This phase of the budget is found under the local assistance programs. The 1961-62 Fiscal Year Budget contemplates a total expenditure of \$91,419.

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

ITEM 201 of the Budget Bill

Budget page 500

**FOR SUPPORT OF THE PLEASANTON PLANT MATERIALS CENTER
FROM THE GENERAL FUND**

Amount requested	\$34,230
Estimated to be expended in 1960-61 fiscal year	35,000
Decrease (2.2 percent)	\$770
TOTAL RECOMMENDED REDUCTION	\$34,230

Division of Soil Conservation—Continued
GENERAL SUMMARY

This budget item provides for a voluntary contribution to the federal government for the operation of the Pleasanton Plant Materials Center which is administered by the Soil Conservation Service of the United States Department of Agriculture and located near the City of Pleasanton in Alameda County. The center was established in 1939 as an adjunct to the federal government's soil conservation program. During the 1953-54 fiscal year, the federal government analyzed its plant materials centers on a national scale and at that time closed most of these centers across the nation and it contemplated closing the Pleasanton center also. It did close a similar center located in Southern California. However, the State of California came to the rescue at that time and offered to donate a portion of the operating costs of one of the plant materials centers. It was then decided to continue the operation of the center located at Pleasanton and since July 1, 1954, the State has been subsidizing the federal government's plant materials program in California. The Legislature was first told that this would only cost the State \$30,000 a year, but in the 1958-59 fiscal year this was increased to \$35,000 on a direct appropriation. But, at the time that the arrangements were made for assisting with the support of the Pleasanton Plant Materials Center, there was no mandate that the cost of the center was to be shared 50-50 in all future participation. The original appropriations from the State were taken from the Soil Conservation Equipment Revolving Fund, but in the 1960-61 fiscal year, this fund did not have sufficient moneys to continue to support the Pleasanton Nursery and, as a result, the appropriation was then shifted to the General Fund, which is again proposed this year.

In summary, the activities of this center are the testing and development of grasses for ultimate, free distribution to landowners within an organized soil conservation district who also co-operate with the Soil Conservation Service. Those landowners who are not within an organized soil conservation district or who have refused to sign up as a co-operator with the U.S. Soil Conservation Service do not receive any of the benefits accruing from this appropriation.

ANALYSIS

This year's budget contemplates a 2.2 percent reduction in the amount of support for the Pleasanton Plant Materials Center, amounting to \$770 which brings the appropriation to \$34,230.

As pointed out in previous years, the Agricultural Experiment Station which is a portion of the University of California carries on much the same program, except that they provide research activities to graduate students in the School of Agriculture and they also make their products available to any landowner or seed producer in the State of California and their products are sold on a cost basis. It should also be noted that if the Pleasanton Plant Materials Center were no longer supported by the State of California, the seed development for soil conservation purposes programs will continue, because the

Division of Soil Conservation—Continued

University of California already has such a program of sufficient size and quality to handle the entire workload.

In view of the foregoing, we recommend that this item be deleted in its entirety.

DEPARTMENT OF PUBLIC HEALTH

ITEM 202 of the Budget Bill

Budget page 503

FOR SUPPORT OF DEPARTMENT OF PUBLIC HEALTH
FROM THE GENERAL FUND

Amount requested	\$8,111,916
Contributions to State Employees' Retirement System	461,430
Total	\$8,573,346
Estimated to be expended in 1960-61 fiscal year	8,289,474
Increase (2.8 percent)	\$283,872
TOTAL RECOMMENDED REDUCTION	\$338,581

Summary of Recommended Reductions

	Amount	Budget Page	Line
Division of Administration			
Bureau of Business Management			
1 Intermediate typist-clerk	\$4,194	504	67
Bureau of Personnel and Training			
1 Assistant personnel analyst	7,008	504	69
Related equipment	1,301	505	27
Division of Preventive Medical Services			
Divisional Administration			
1 Assistant chief—Administrative	9,852	511	7
Related equipment	861	505	27
Bureau of Chronic Disease			
1 Public health medical officer III	13,860	511	9
1 Associate social research technician	8,112	511	11
Contractural services	22,500	511	37
Bureau of Crippled Children Services			
Reduction in staff—January 1, 1961—June 30, 1961	20,000	510	31
Related replacement equipment	1,373	505	27
Bureau of Hospitals			
1 Chief, hospital planning section	8,940	511	14
Related equipment	795	505	27
1 Hospital field representative	6,060	511	16
1 Administrative assistant I	7,008	511	17
Related equipment	1,302	505	27
1 Assistant public health analyst	7,008	511	18
Related equipment	1,302	505	27
Division of Research			
1 Behavioral scientist	11,400	511	78
Related equipment	405	505	27
1 Administrative assistant II	8,112	511	79
Expanded Sanitary Engineering Program			
Division of Environmental Sanitation			