

Secretary of State—Continued

by the Legislative Counsel. Arguments for and against these measures are prepared by interested parties.

The above request in the amount of \$250,000 is the amount estimated to cover the printing costs for these pamphlets. These costs are based primarily on the number of copies. More than 8 million copies were printed for the last General Election. However, a few additional copies would not increase the cost significantly.

If printing pamphlets are required for the June primary this appropriation is also available for printing costs incurred in the current year.

We recommend approval of the budget as submitted.

DEPARTMENT OF AGRICULTURE

ITEM 42 of the Budget Bill

Budget page 57

FOR SUPPORT OF DEPARTMENT OF AGRICULTURE FROM THE GENERAL FUND

Amount requested	\$11,297,643
Estimated to be expended in 1963-64 fiscal year.....	11,085,262
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Increase (1.9 percent).....	\$212,381

Increase to maintain existing level of service___ \$212,381

TOTAL RECOMMENDED REDUCTION..... \$14,042

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Reduce two junior plant quarantine inspectors from permanent to temporary status.....	\$552	67	49
Decrease funds for plant quarantine temporary help by one position	5,402	67	51
Eliminate Yermo janitor.....	4,044	67	50
Eliminate Fresno junior-intermediate stenographer.....	4,044	62	12

ANALYSIS

The Department of Agriculture is a protective, regulatory, and service agency, as prescribed in the policy statement of Section 30 of the Agricultural Code, with responsibilities in such fields as the control of pests and diseases that affect plants and animals; the supervision of marketing programs for various agricultural products; the dissemination of market news, production statistics and forecasts; and the enforcement of standards of quality and cleanliness in agricultural and certain other products.

While the major responsibility of the department is to protect and improve California's agricultural industry, some of the department's programs, such as inspections of weights and measures, and inspection of meat and meat products for wholesomeness, serve a broader public interest. The financing of the department's activities generally reflects this relationship between function and benefit in that programs which benefit or protect the interests of the general public are supported by the General Fund, and programs conducted as services to

Department of Agriculture—Continued

the agricultural industry or its segments are financed by fees and assessments paid into the Department of Agriculture Fund by the various groups for which the services are performed. In order that the receipts and disbursements for each self-supporting function may be identified, the Agriculture Fund consists of approximately 30 accounts.

As a result of action taken by the 1963 Legislature, which transferred fiscal supervision over district, county, and citrus fruit fairs from the Department of Finance to the Department of Agriculture, the department also administers the Fair and Exposition Fund and has added a new division to conduct that function. Not included in the Governor's Budget is approximately \$11 million in trust funds which the department collects and expends pursuant to marketing orders.

For 1964-65 the Department of Agriculture proposes a total operating budget of \$19,890,522, which represents a \$302,579 or 1.5 percent increase over estimated expenditures for the current year. Included in the total budget is \$176,294 of federal-state matching funds for cooperative marketing research, the State's portion of which appears in a separate item in the Governor's Budget and on page 57 of this analysis. The General Fund portion of the department's proposed budget, excluding the marketing research program, is \$11,297,643 which is \$212,381 (1.9 percent) higher than estimated General Fund expenditures for the current year. Following the pattern of previous years, the General Fund continues to absorb most of the department's budgetary increases with only a \$44,930 increase in Agriculture Fund expenditures in the budget year.

Neither the estimates of the current year General Fund and Agriculture Fund expenditures nor the proposed budget year expenditures take into account the substantial impact of salary increases authorized last year by the Legislature. This factor will significantly increase presently estimated expenditures for the current fiscal year as well as for the budget year. The Department of Agriculture Fund will be particularly affected by the salary increases because this fund now shows cash surpluses of only \$387,738 and \$269,246 for the current and budget years, respectively.

Apart from the comments made above, the department's proposed 1964-65 budget presents only a few serious problems for review. The overall increases are modest and in line with necessary increased costs to maintain existing levels of service. A total of 39.8 new positions is proposed, but administrative and workload adjustments, representing more efficient utilization of existing personnel, have reduced the net increase to only seven positions.

Among the new positions requested are two junior plant quarantine inspectors which the department proposes to convert from presently authorized temporary help at the Daggett and Meyers inspection stations to meet increased workloads. The data submitted by the department to justify this conversion, while showing annual increases in traffic flows at both stations, does not take into account the more important factor of peaking workload periods which, according to earlier

Department of Agriculture—Continued

data prepared by the department, fluctuate as much as 700 percent during the year. Accordingly, we find no justification to convert temporary positions to permanent ones because there still remain periods of greatly reduced workload which do not justify additional permanent, year-round personnel. Moreover, the department is also requesting the equivalent of one plant quarantine inspector for temporary help at the Daggett and Meyers stations during peak workload periods. We believe that with the continued use of existing temporary help, the department can meet peak workload periods economically and need not add the equivalent of one new temporary position at Daggett and Meyers.

An additional reason for limiting further expansion of plant quarantine personnel at this time relates to questions raised in the 1963 Budget Analysis concerning the federal-state aspects of the overall plant quarantine program. As a result of our comments last year, the Legislature amended the 1963 Budget Act to express its desire that the federal government pay the costs of enforcing federal quarantines and to preclude expenditure of state funds for the enforcement of federal plant quarantines at any time the federal government exercised its responsibility in this area unless a cost-sharing agreement with California is developed. The Legislature also adopted a resolution calling for a thorough study of the plant quarantine program in California.

Since the last session, the Department of Agriculture has corresponded with Washington relative to a cost-sharing agreement. While the problem has not yet been resolved, we understand from the department that the status quo may be formalized in an agreement. We regard formalizing the status quo as premature since it does not reflect the expressed views of the Legislature. Furthermore, all aspects of the existing program have not been adequately studied with a view of ascertaining, first, whether all present plant quarantine practices are economically justified and, second, in the event they are so justified, whether California is providing too large a portion of their costs. We learned recently that a comprehensive study of the entire quarantine program has been undertaken by the University of California. It would appear desirable, therefore, to postpone final action on the federal-state agreement until such time as the university releases its report.

In view of the above factors, we recommend that the reclassification of two temporary junior plant quarantine inspectors to permanent status be denied, and that funds for increase of one temporary position be removed, for a General Fund saving of \$5,954 plus operating expenses.

A third new position which the department proposes for its plant quarantine program is a full-time janitor at its Yermo inspection station. This position was denied last year by the Legislature because of inadequate justification. As was pointed out last year in this analysis, the minor cleanup and maintenance work at the Yermo station is done by the 14 inspectors assigned there, and a visit to the station has shown that it is reasonably maintained at present. Moreover, this station soon will be replaced by a new one on the freeway being constructed east

Department of Agriculture—Continued

of Yermo and the impact of this change on station manpower is uncertain. The department has stated, however, that janitorial work imposes undue hardship on the inspectors and detracts from the dignity of their services. The department also maintains that a janitor would release from cleanup duty the equivalent of one full-time inspector position which is otherwise needed in lieu of the janitor to meet increased workload. However, additional inspectors are also being requested.

It is recommended, therefore, that the inspectors continue to do the cleanup work and the janitorial position be deleted, pending the development of operating experience at the new station, for a General Fund saving of \$4,044 plus operating expenses.

One new junior-intermediate stenographer is also requested by the department to complement two supervisory positions in the Bureaus of Meat Inspection and Dairy Service which are being moved into the Fresno State Office Building. For some time this office has been concerned about the inefficient utilization of clerical help at Fresno and at other locations resulting from the assignment of these positions on a separate program by program basis. We believe that the existing workload can be handled by the present clerical staff if assignments were based on total workload considerations instead of individual programs. Establishment of a clerical pool to serve all functions would alleviate the workload imbalance, and until this is done there is no justification for a new position.

It is, therefore, recommended that the junior-intermediate stenographer be deleted for a General Fund saving of \$4,044 plus operating expenses.

Among the remaining new positions, which are being recommended for approval, are three meat inspectors to handle increased workload in importations of foreign cold storage meat at San Francisco and Los Angeles. Although the entire costs of these positions are paid by fees assessed to the importers, their work constitutes an economic waste because the same meat is also inspected by the federal government.

While the proposed budget reflects organizational improvement and better use of personnel in some areas, largely as a result of the department's limited reorganization of 1961, other problem areas remain to be resolved through substantial study and administrative action. As indicated last year in this analysis, the department has major problems involving the management of the field organization, program integration, and budgetary and accounting complexities. In recognition of these problems, the department is requesting, and this office recommends, the continuation of a senior administrative analyst position established administratively during the current year to undertake a comprehensive review of the practices in these and other areas in order that corrective action may be taken. Progress toward resolving some of these difficulties has been made but further improvement should take place during the budget year.

During the past year this office initiated a review of the fiscal aspects of the department's pesticide program. This was done because the

Department of Agriculture—Continued

program is supported largely from fees paid by manufacturers and distributors of pesticides, which may result in a tendency to lose sight of the overriding public interest. We plan to undertake further study of the fiscal aspects of the pesticide program during the next interim and to formulate conclusions.

As indicated earlier in this analysis, the department has unresolved problems in its plant quarantine program and in its field organization which we view as matters of high priority for corrective action in the immediate future. There is also a need for comprehensive review of other self-supporting programs to determine whether their costs are commensurate with services rendered. One such problem is the administration of the livestock identification program which is now being studied by the Senate Factfinding Committee on Agriculture.

**Department of Agriculture
FEDERAL COOPERATIVE MARKETING RESEARCH**

ITEM 43 of the Budget Bill

Budget page 70

**FOR SUPPORT OF FEDERAL COOPERATIVE MARKETING
RESEARCH FROM THE GENERAL FUND**

Amount requested	\$88,147
Estimated to be expended in 1963-64 fiscal year	86,213
Increase (2.2 percent)	\$1,934
Increase to maintain existing level of service	\$1,934

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

Under the Federal Cooperative Marketing Research program, the State and the federal government share equally the cost of conducting research in various marketing problem areas. The State is authorized to participate in this program by Section 1286 of the Agricultural Code, and federal participation is provided under the Agriculture Marketing Act of 1946 and Public Law 733 (79th Congress). The objectives of this program are to assist marketing agencies in utilizing the most effective marketing practices, to increase consumption of farm products, and to provide better and more timely marketing information.

To be continued in the budget year are four research projects relating to certain crop surveys, improvement of marketing methods, development of maturity standards and packaging methods, and certification standards for fruit, tree nut, and vine nursery stock. Also scheduled for the budget year is a new study to determine the effects of changing marketing practices on the California Market News Service. The budgetary effect of this new study is relatively small, however, because of a substantial reduction in expenditures for one of the present projects.

We recommend approval of the amount requested.

Agriculture**Items 44-45****DEPARTMENT OF AGRICULTURE**

ITEM 44 of the Budget Bill

Budget page 70

**FOR SUPPORT OF DEPARTMENT OF AGRICULTURE
FROM THE DEPARTMENT OF AGRICULTURE FUND**

Amount requested -----	\$8,250,526
Estimated to be expended in 1963-64 fiscal year -----	8,205,596
Increase (0.5 percent) -----	\$44,930
Increase to maintain existing level of service ----	\$44,930

TOTAL RECOMMENDED REDUCTION ----- None**ANALYSIS**

This item appropriates from the Department of Agriculture Fund that portion of the department's budget which supports activities requested by or benefiting particular agricultural groups. This fund is composed of fees and assessments derived from a variety of industry sources. The General Fund portion of the department's budget appears in Item 42.

The budget year request from the Department of Agriculture Fund is \$8,250,526, which is \$44,930 or 0.5 percent higher than estimated expenditures from this fund during the current fiscal year.

It is recommended that this item be approved as budgeted.

DEPARTMENT OF AGRICULTURE

ITEM 45 of the Budget Bill

Budget page 71

**FOR SUPPORT OF DEPARTMENT OF AGRICULTURE
FROM THE FAIRS AND EXPOSITION FUND**

Amount requested -----	\$166,059
Estimated to be expended in 1963-64 fiscal year -----	168,101
Decrease (1.2 percent) -----	\$2,042

TOTAL RECOMMENDED REDUCTION ----- None**ANALYSIS**

This item appropriates \$166,059 from the Fairs and Exposition Fund for the support of the Division of Fairs and Expositions which was transferred from the Department of Finance to the Department of Agriculture pursuant to Chapter 1714, Statutes of 1963.

Approval is recommended.

Department of Agriculture
CALIFORNIA MUSEUM OF SCIENCE AND INDUSTRY

ITEM 46 of the Budget Bill

Budget page 73

**FOR SUPPORT OF THE CALIFORNIA MUSEUM OF SCIENCE
AND INDUSTRY FROM THE CALIFORNIA MUSEUM OF
SCIENCE AND INDUSTRY FUND**

Amount requested	\$686,352
Estimated to be expended in 1963-64 fiscal year	583,412
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Increase (17.6 percent)	\$102,940
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Increase to maintain existing level of service	\$22,585
Increase to improve level of service	80,355

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The California Museum of Science and Industry, located in Exposition Park in the City of Los Angeles, was created by Chapter 69, Statutes of 1880, as the Sixth District Agricultural Association. The 1962 Legislature approved its present name to more properly identify this facility with its educational function of providing exhibits which demonstrate the industrial and scientific progress of the State of California. A nine-member board of directors appointed by the Governor administers the museum as well as 104 acres of state-owned land in Exposition Park which is held in trust by the museum.

Although the museum has lost its identity as an agricultural association, it was attached to the Department of Agriculture as a result of action taken by the 1963 Legislature which transferred fiscal supervision over district, county, and citrus fruit fairs from the Department of Finance to the Department of Agriculture.

This item appropriates the entire support budget for the museum from the California Museum of Science and Industry Fund, which receives a portion of its revenue by a transfer from the General Fund, as indicated in budget Item 47. For the 1964-65 fiscal year the museum proposes a budget of \$686,352, which is \$102,940, or 17.6 percent higher, than estimated expenditures for the current year. The General Fund portion of this amount is \$279,588, which is \$60,301, or 27.5 percent, more than the General Fund appropriation for the current year. The remaining portion of the museum's support is derived primarily from rental proceeds paid by the Coliseum Commission (representing the State, the City, and the County of Los Angeles) for the use of parking lots and for the land on which the Los Angeles Memorial Coliseum and the Los Angeles Sports Arena are located.

The budgetary needs of the museum will increase in the budget year and will continue to increase in future years as a result of greater emphasis being placed on the museum as a state educational institution. The 1963 Special Session of the Legislature authorized the sum of \$200,000 for construction of a Hall of Health building east of the museum's new Science Wing. A part of the state-owned National Guard Armory was remodeled in 1962 for eventual use as a permanent Space Museum, and the 1963 Legislature appropriated funds for a new roof

California Museum of Science and Industry—Continued

and for improvements in the heating and ventilating systems. Pending completion of the new Space Museum, temporary space exhibits have been set up in the building. Other new exhibits recently added to the main museum include the "Science of Aviation" exhibit, which was financed by the State and private industry on a matching fund basis, and a permanent exhibit on the evolution of the motorcar, "The Turning Wheel," which was totally financed by an automobile manufacturer. The museum anticipates that private funds will be used to finance additional exhibits in the future.

As a result of these and other program expansions, the museum is requesting a net total of 12 new positions for the budget year to meet increased workload. These positions consist of three additional guards to provide protection for new and costly exhibits, some of which are difficult to patrol on a consistent basis because of present manpower limitations; an electrician position to service some of the latest exhibits which utilize complex electrical mechanisms and are subject to heavy public use; the equivalent of one maintenance position for general duties; and four new clerical positions to improve the level of administrative services. One of these clerical positions is offset by an equal reduction in temporary help.

We recommend that this item be approved as budgeted.

**Department of Agriculture
AUGMENTATION OF THE CALIFORNIA MUSEUM
OF SCIENCE AND INDUSTRY FUND**

ITEM 47 of the Budget Bill

Budget page 76

**FOR AUGMENTATION OF THE CALIFORNIA MUSEUM OF
SCIENCE AND INDUSTRY FUND FROM THE GENERAL FUND**

Amount requested	\$279,588
Estimated to be expended in 1963-64 fiscal year.....	219,287
Increase (27.5 percent)	\$60,301

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

This item transfers \$279,588 from the General Fund to augment the support of the California Museum of Science and Industry. A discussion of the museum's activities appears in the analysis of Item 46.

Approval is recommended.

Department of Agriculture
POULTRY IMPROVEMENT COMMISSION

ITEM 48 of the Budget Bill

Budget page 77

FOR SUPPORT OF THE POULTRY IMPROVEMENT
COMMISSION FROM THE POULTRY TESTING
PROJECT FUND

Amount requested	\$145,365
Estimated to be expended in 1963-64 fiscal year	139,997
Increase (3.8 percent)	\$5,368
Increase to maintain existing level of service.....	\$5,368

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

Sections 43 through 48 of the Agricultural Code established the Poultry Improvement Commission, which consists of seven members appointed by the Governor from the poultry industry at large and three ex officio members representing the University of California and the State Department of Agriculture. The commission operates two testing establishments, one near Modesto for chickens and another near Keyes for turkeys, to provide comparative data to the poultry industry on the growth and productivity of new strains of poultry.

This item appropriates the entire support budget for the commission from the Poultry Project Testing Fund, which receives a large portion of its revenue by a transfer from the General Fund as indicated in budget item _____. For the 1964-65 fiscal year the Poultry Improvement Commission proposes a budget of \$145,365, which is \$5,368 or 3.8 percent more than estimated expenditures for the current year. The General Fund portion of this amount is \$75,086, which is \$12,247 or 19.5 percent more than the General Fund contribution for the current year. The remaining portion of the commission's support is derived from test entry fees and the sale of eggs and poultry.

Last year this office expressed reservations about the commission's dependence on General Fund support and questioned the commission's reluctance to initiate a program of complete on-the-farm testing in lieu of the controlled testing environments maintained at Modesto and Keyes. We noted, also, that the commission's need for General Fund support was being reduced during the 1963-64 fiscal year only because accumulated surpluses were being depleted and that the major portion of the commission's support would shift back to General Fund in subsequent years, which has occurred in fiscal year 1964-65.

The commission has recently undertaken a reevaluation of its program which has resulted in a trend toward lower budget requirements, and there is evidence that further progress in this regard will be made. Personnel requirements have been reduced from the 14.8 positions authorized to 11.8 positions. The elimination of one additional position is anticipated during the 1965-66 fiscal year, at which time the commission also plans to determine the feasibility of transferring its operations to the farms of cooperating poultrymen. Such farms are now being used only on a test basis.

Poultry Improvement Commission—Continued

The above administrative adjustments and other economies effectuated during the previous and current fiscal years have resulted in underestimating fund surpluses, but the need for General Fund assistance will increase again, as these surpluses are used up in future years, unless further operating economies are made in the future.

Approval is recommended.

**Department of Agriculture
POULTRY IMPROVEMENT COMMISSION**

ITEM 49 of the Budget Bill

Budget page 79

**FOR AUGMENTATION OF THE POULTRY TESTING
PROJECT FUND FROM THE GENERAL FUND**

Amount requested	\$75,086
Estimated to be expended in 1963-64 fiscal year	62,839
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Increase (19.5 percent)	\$12,247
Increase to maintain existing level of service.....	\$12,247

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

This item transfers \$75,086 from the General Fund to augment the support of the Poultry Improvement Commission. Discussion of commission activities appears in the analysis of Item 48.

Approval is recommended.

Youth and Corrections Agency

YOUTH AND ADULT CORRECTIONS AGENCY ADMINISTRATOR

ITEM 50 of the Budget Bill

Budget page 80

**FOR SUPPORT OF THE YOUTH AND ADULT CORRECTIONS
AGENCY ADMINISTRATOR FROM THE GENERAL FUND**

Amount requested	\$76,060
Estimated to be expended in 1963-64 fiscal year	65,845
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Increase (15.5 percent)	\$10,215
Increase to maintain existing level of service.....	\$3,747
Increase to improve level of service.....	6,468

TOTAL RECOMMENDED REDUCTION..... \$6,468

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
1 Deputy agency administrator	\$19,800	80	33
Restore 1 assistant to the administrator	13,332	80	35
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Net reduction	\$6,468		

ANALYSIS

The Youth and Adult Corrections Agency was established under Chapter 2037, Statutes of 1961, to combine under one agency administrator the Departments of Corrections and Youth Authority.