

Resources Agency
TAHOE REGIONAL PLANNING COMPACT

Item 194 from the General
Fund

Budget p. 117 Program p. I-757

Requested 1973-74	\$50,000
Estimated 1972-73	50,000
Actual 1971-72	100,000
Requested increase None	
Total recommended increase	\$50,000

GENERAL PROGRAM STATEMENT

The Tahoe Regional Planning Compact was established by Chapter 1589, Statutes of 1967. The purpose of the compact was to coordinate and enforce planning between California and the State of Nevada to preserve and enhance the environment of the Lake Tahoe Basin. The compact was adopted by California, Nevada and the federal Congress.

ANALYSIS AND RECOMMENDATIONS

We recommend an augmentation of \$50,000.

This item appropriates \$50,000 from the General Fund for the Tahoe Regional Planning Agency as a contribution from the State of California to its support in fiscal year 1973-74. In the current year the agency has adopted land use, subdivision, and grading and shoreline ordinances for the Tahoe Regional Plan. At this time, additional ordinances involving signs, timber cutting, and sewage are being developed or are in the hearing state. In addition, the agency has received a consultant's report on the Open-Space Recreation and Conservation element of the regional plan. This element has been presented at public hearing and is now the subject of detailed analysis in the light of hearing testimony. A major transportation planning study for the Lake Tahoe Basin is to get underway shortly as a joint venture between the agency and cooperating transportation agencies of the State of California. This transportation study will probably develop into a five-year program and federal government participation will probably be achieved at a later date.

This item as proposed would result in a reduction in the agency's budget. In the current year, total estimated expenditure is \$335,498. With only a \$50,000 appropriation from the State of California and other available resources, the agency budget would be \$296,600 in 1973-74. This occurs because the normal contribution to the agency during the current year was supplemented by additional payments from El Dorado and Placer Counties through settlement of litigation. These additional resources permitted the agency to continue staff which was felt necessary for purposes of plan enforcement and legal support.

A reduction of two positions, one involved in plan enforcement and the

Public Utilities Commission
GRADE CROSSING PROTECTION WORKS

Item 193 from the State Highway Account, State Transportation Fund

Budget p. L-18 Program p. I-684

Requested 1973-74	\$1,200,000
Estimated 1972-73.....	1,000,000
Actual 1971-72	1,000,000
Requested increase \$200,000 (20 percent)	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Public Utilities Commission administers three interrelated railroad crossing safety programs. Financial support for the programs is derived from the State Highway Account in the State Transportation Fund.

Chapter 1302, Statutes of 1961, requires the commission to allocate to cities and counties such money as may be appropriated by the Legislature to assist local jurisdictions in financing the installation of grade-crossing protection devices. The Budget Bill has been used subsequently as the appropriation mechanism for this first railroad crossing safety program which is the purpose of this item. The state contributes 25 percent of the cost of installing each crossing device, local government matches the 25 percent and the railroad company pays the balance.

Secondly, Chapter 1644, Statutes of 1965, provides support for the maintenance of grade-crossing protection devices using the same cost-sharing formula. Chapter 1644 provides for a continuing appropriation of the funds required up to a maximum of \$1 million per year for maintenance purposes from the State Highway Account.

The third railroad crossing safety program is the support of grade-separation construction which physically separates a rail facility from a roadway. Historically, the grade-separation program was supported by a continuing appropriation of \$5 million annually. However, Chapters 1243, 1663, and 1798, Statutes of 1971, have the combined effect of increasing the annual appropriation for this program. During the current year and in the 1973-74 fiscal year, \$15 million will be made available for support of this program. In subsequent years, \$10 million will be provided from the State Highway Account.

Based on projected demand for state matching funds for the 1973-74 fiscal year, the commission estimates a need of \$1.2 million for grade crossing protection devices and we recommend approval.

other a legal position would be imposed under the proposed budget for 1973-74. The primary role in legal services would be shifted to the Attorneys General offices of the two states. In addition, a reduction in development review and local coordination activities would take place. Due to the importance of strong enforcement and legal support for the agency to perform effectively in implementing its plan, we recommend augmentation of California's support by \$50,000. According to agency staff, this augmentation would be accompanied by a similar augmentation by the State of Nevada in the amount of \$25,000. With this additional funding the agency should be able to adequately perform its compact functions in 1973-74.

Resources Agency
ADVISORY COMMISSION ON MARINE AND COASTAL RESOURCES

Item 195 from the General Fund

Budget p. 117 Program p. I-757

Requested 1973-74	\$56,755
Estimated 1972-73.....	54,735
Actual 1971-72	48,005
Requested increase \$2,020 (3.7 percent)	
Increase to improve level of service—None	
Total recommended reduction	\$56,755

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. *Eliminate Item. Delete \$56,755.* Recommend commission be abolished because its major task has been accomplished and its remaining responsibilities duplicate work of the Coastal Zone Conservation Commission. 418

GENERAL PROGRAM STATEMENT

Chapter 1642, Statutes of 1967, directed the Governor to prepare the California Comprehensive Ocean Area Plan for the orderly, long-range conservation and development of marine and coastal resources. The same statute also established the California Advisory Commission on Marine and Coastal Resources (CMC). With a membership of 36, the commission consists of 25 members appointed by the Governor from academic, research, development and marine law interests, both public and private; five members of the public appointed by the Governor with conservation interests or specialized disciplines; and six Members of the Legislature.

Under the statute the commission is to (1) review the California Comprehensive Ocean Area Plan (COAP) and recommend any changes or additions in the plan and the organization structure of state government which can carry out the plan's provisions, (2) undertake a comprehensive investigation and study of all aspects of marine sciences and the marine

ADVISORY COMMISSION ON MARINE AND COASTAL RESOURCES—Continued

and coastal environment, and (3) transmit to the Governor and the Legislature each year a report on the activities and accomplishments of all agencies of the state in the conservation and development of marine and coastal resources.

The Governor, by executive order dated January 30, 1970 designated the Lieutenant Governor to undertake operational and management responsibility for the Advisory Commission on Marine and Coastal Resources. In 1972 the Legislature transferred the commission's appropriation from the executive section of the budget bill to the Resources Agency.

ANALYSIS AND RECOMMENDATIONS

The budget proposes expenditures of \$56,755 to support CMC in 1973-74, an increase of \$2,020 over estimated expenditures of \$54,735 in the current year. This amount will finance staff support of the commission, which includes an assistant to the commission and a clerical position, plus operating expenses and travel.

Function of the Commission

We recommend that the item be deleted.

The commission has never been adequately budgeted to carry out all of its responsibilities as stated in the statutes. Most of the commission's efforts have centered on reviewing and making recommendations pertaining to the development of the Comprehensive Ocean Area Plan (COAP) and preparing recommendations to the Governor and the Legislature on coastal zone management legislation. The COAP was completed in the spring of 1972. With completion of the COAP, the commission's major task has been accomplished. The budget indicates the commission's role next year will be to continue evaluating the activities and accomplishments of several state agencies involved in conservation and development of marine and coastal resources.

Initiative Proposition 20, as approved by the voters at the General Election in November, 1972, establishes the California Coastal Zone Conservation Commission and six regional commissions to:

1. Study the coastal zone and its resources,
2. Prepare a state plan for the orderly, long-range conservation and management of the coastal zone,
3. Regulate by a permit system the development of the ocean shoreline while the plan is being prepared.

The commissions are to begin their assigned tasks in February, 1973. They must adopt the plan by December 1975 and will terminate the 91st day after adjournment of the 1976 Legislature when the Legislature presumably would establish a permanent commission based on the plan.

Proposition 20 requires the new commissions, in their planning work, to study a broad range of subjects pertaining to the coastal zone. Also, the Governor is required to deliver the Comprehensive Ocean Area Plan, which the advisory commission helped prepare, to the new coastal zone commission. The work to be accomplished by the new commissions requires a substantial state effort for which \$5 million is provided by the

initiative.

In view of the establishment of the California Coastal Zone Conservation Commission the advisory commission is not needed at this time to evaluate activities and accomplishments of state agencies involved in the conservation and development of marine and coastal resources. It may be that the advisory commission could have some role in a technical advisory capacity to the new commission. However, that proposal is not in the budget and would probably require a change in the statutes. There appears to be no useful purpose served by continuing the advisory commission's activities as authorized in the statutes and as budgeted and we recommend that the appropriation be deleted.

Resources Agency

WATERWAYS MANAGEMENT PLANNING

Item 196 from the General Fund

Budget p. 117 Program p. I-757

Requested 1973-74	\$225,000
Estimated 1972-73.....	100,000
Requested increase \$125,000 (125 percent)	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

In 1971 the Legislature directed the Resources Agency to prepare, in conjunction with affected local agencies, waterway management plans for 20 specified rivers and river systems. Such plans are to include provisions for flood control, water conservation, recreation, fish and wildlife preservation and enhancement, water quality protection and enhancement, stream flow augmentation, and preservation of free-flowing rivers. During the budget year, concurrent studies will be conducted on the Smith, Russian, Eel and Klamath River systems.

Resources Agency
ENVIRONMENTAL PROTECTION PROGRAM

Item 197 from the California
Environmental Protection
Fund

Budget p. 118 Program p. I-761

Requested 1973-74	\$2,130,820
Estimated 1972-73.....	1,164,920
Actual 1971-72	164,820
Requested increase \$965,900 (82.9 percent)	
Increase to improve level of service \$965,900	
Total recommended reduction	\$713,000

SUMMARY OF MAJOR ISSUES AND RECOMENDATIONS

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| 6. <i>Peace Valley. Reduce \$300,000.</i> Recommend deletion because environmental impact statement not prepared. | 422 |
| 7. <i>Ecological Reserves. Reduce \$263,000.</i> Recommend deletion of \$153,000 for unspecified projects which were dropped from the budget. Recommend deletion of \$110,000 for two projects which do not qualify as ecological reserves. | 424 |

GENERAL PROGRAM STATEMENT

Chapter 779, Statutes of 1970, established the California Environmental Protection program to preserve and protect California's environment, including, but not limited to, the control and abatement of air pollution generated by motor vehicles.

The law also created the California Environmental Protection Program Fund to receive the revenue from the sale of personalized license plates. There is a continuous appropriation from the fund to the Department of Motor Vehicles of an amount equal to the cost incurred in administering

the sale of the plates. The balance of the fund is available for program expenditures after appropriation by the Legislature.

The Secretaries of the Resources and Business and Transportation Agencies are responsible for the development of the program and determination of priorities. The secretaries may allocate funds to state and local agencies, the University of California and private research organizations to achieve program purposes.

Fund Status

On June 30, 1972, the surplus in the California Environmental Protection Program Fund was \$1,275,302. Revenues in the current year are estimated to be \$1,683,500 and \$1,845,600 in the budget year. The surplus at the end of the budget year is estimated to be \$250,909.

ANALYSIS AND RECOMMENDATIONS

The budget requests \$2,130,820 for the Environmental Protection program compared to estimated expenditures of \$1,164,920 in the current year. In addition to this program, the California Environmental Protection Program Fund will finance appropriations of \$53,500 to the Resources Agency for program administration in Item 33, and \$339,822 in a continuing appropriation to the Department of Motor Vehicles for license plate administration.

We recommend that individual project appropriations be made to line departments where possible rather than to the Resources Agency.

In preparing the 1973-74 program, the agency has followed the pattern of assigning responsibilities for execution of portions of the program to line departments subject to overall review by the Secretary's office. Most of the 1973-74 programs could be financed by appropriations made directly to the line departments that will eventually execute the individual projects or program portions. These projects do not require intensive coordination or supervision from the Secretary's office.

For example, the budget includes \$539,320 for purchase of ecological reserves. The Secretary's office has contracted with the Department of Fish and Game to acquire the reserves. The appropriation could be made directly to the Department of Fish and Game. Another part of the program involves the establishment of an aquatic recreation area at Peace Valley in Los Angeles County. This work involves the Department of Water Resources and the appropriation could be made directly to that department. A third proposal involves local assistance to develop ecological exhibits at the Placerita Canyon nature center, at Placerita Canyon State Park which is operated by the County of Los Angeles. That allocation could be appropriated to the Department of Parks and Recreation for local assistance.

The consolidation of the entire appropriation for the program has the disadvantage of including major capital outlay and acquisition projects plus grants and planning work and support in one budget item. This is not consistent with state budgeting practice. We concur with the budget presentation to include the entire program in one place in the Governor's Budget. However, the entire program can be shown with the statement of fund condition without having all the appropriations made through the

ENVIRONMENTAL PROTECTION PROGRAM—Continued

Resources Secretary.

Ecology Education Projects, \$100,000

We recommend \$100,000 be deleted because a program for the expenditure of the funds has not been prepared.

Air Pollution Studies and Monitoring Vans

We defer recommendation on allocations of funds for air pollution studies and mobile pollution monitoring vans until an erroneous double appropriation in Item 201 of the Budget Bill and the research program of the Air Resources Board are clarified.

Bolsa Chica Bay Planning

We recommend \$20,000 to develop preliminary and working drawings be deleted because the state commitment in the total project is unknown and because an environmental impact statement has not been prepared.

The budget includes \$20,000 for the Department of Fish and Game to contract with the Office of Architecture to develop preliminary and working drawings for a proposed ecological reserve on the landward side of the Pacific Coast Highway and Bolsa Chica State Beach in Orange County.

This proposal is the initial step in a substantial project that consists of establishing a saltwater marsh as an ecological reserve, the construction of a channel entrance from the Pacific Ocean into the reserve, possible future construction of a public marina, and right of access by the Signal Oil Company to the channel entrance for its Huntington Harbor residential development. The project depends upon land exchanges between the State Lands Commission and the Signal Oil Company.

The proposal may have considerable merit. However, the total project has enormous scope, extends over a period of years and would involve a substantial commitment of state funds but not much is known about it. Our recommendation for deletion of \$20,000 is on the basis that the state commitment for the total project is unknown at this time. Also, the required environmental impact report for the proposed working drawings has not been prepared as required by law.

Joice Island Walkway, \$30,000

The project has been dropped and we recommend that the funds be deleted.

Aquatic Recreation Area—Peace Valley, \$300,000

We recommend the project be deleted because an environmental impact statement does not accompany the project request.

The budget includes \$300,000 for construction of a 340-acre recreation area by the Department of Water Resources at Peace Valley on the west branch of the California Aqueduct in Los Angeles County. The Department of Parks and Recreation would operate the area as a wayside campground through a concessionaire. Because the required environmental impact statement does not accompany the project request as required by law, we recommend disapproval. If the project is approved, we recommend that the appropriation be to the Department of Water Resources.

PURCHASE OF ECOLOGICAL RESERVES

In the 1972 Budget Act \$594,770 was appropriated for 19 acquisition projects for ecological reserves and for preservation of outstanding natural areas. The agency secretaries have contracted with the Department of Fish and Game to carry out the acquisitions.

As of December 1972, none of the projects had been acquired, but some progress had been made in almost all projects in determining title, searching for owners and obtaining appraisals. Funds for the projects were appropriated in the support section of the Budget Bill and will revert June 30, 1972 unless expended. The Resources Agency indicates it will not request reappropriation of the money through the control sections of the 1973-74 Budget Bill and that any projects not acquired by the end of this fiscal year will be dropped.

1973-74 Projects

The budget indicates \$692,320 will be requested for purchase of ecological reserves in 1973-74. However, two projects have been dropped. The administration now requests funding of \$539,329 for 14 projects, a difference of \$153,000. The projects involve \$492,520 for acquisition and \$46,800 for improvements.

The justification material for the projects does not include environmental impact statements. We assume the projects do not have a significant environmental impact and that the agencies will complete the appropriate statements certifying no significant impact.

The 1973-74 projects are as follows:

1. Peregrine Falcon Ecological Reserve, Sonoma County. 20 acres.
2. Peninsular Bighorn Ecological Reserve, Riverside County. 160 acres.
3. Bighorn Sheep Ecological Reserve, San Bernardino County. 160 acres.
4. Limestone Salamander Ecological Reserve, Mariposa County. 200 acres
5. Tehachapi Slender Salamander Ecological Reserve, Kern County. 240 acres.
6. Black Toad Ecological Reserve, Inyo County. 820 acres.
7. China Ranch Ecological Reserve, Inyo County. Tecopa pupfish. 300 acres.
8. River Springs Lake Ecological Reserve, Mono County. Natural spring-lake in Inyo-Mono desert area. Salt Creek pupfish. 300 acres.
9. California Condor Ecological Reserve, Cayetano Mountain, Ventura County. 38 acres.
10. California Condor Ecological Reserve, Coldwater Canyon, Ventura County. 59 acres.
11. Cosumnes River Ecological Reserve, Sacramento County. Dense riparian habitat of valley oak, shrubs and vines. 120 acres.
12. Clear Creek Ecological Reserve, Shasta County. Protection of salmon and steelhead spawning gravels and riparian habitat. Provide fishing access. 100 acres.
13. Mad River Ecological Reserve, Humboldt County. Salmon and steelhead stream and riparian habitat for recreation use. Adjacent to Mad River

ENVIRONMENTAL PROTECTION PROGRAM—Continued

Hatchery. 160 acres.

14. Old River Ecological Reserve, San Joaquin County. Riparian wildlife habitat. 4 islands. 32 acres.

Recommended Reductions

1. *We recommend a reduction of \$153,000 for projects dropped from the budget.*

2. *We also recommend \$110,000 budgeted for two salmon and steelhead habitat and spawning areas and fishing access projects be deleted because the projects do not qualify as ecological reserves.*

The Clear Creek project located near Anderson in Shasta County involves \$55,000 for acquisition of 100 acres of Clear Creek Channel about three-fourths of a mile in length to preserve salmon and steelhead spawning habitat and provide access for fishing and viewing of wildlife.

The Mad River project in Humboldt County involves \$55,000 for acquisition of a 160 acre parcel adjacent to the Mad River Hatchery to preserve salmon and steelhead stream and riparian habitat. According to the agency's justification, the project would provide a variety of public recreational uses.

The two projects involve salmon and steelhead for which the Department of Fish and Game conducts substantial programs. Also, the Wildlife Conservation Board has its own funds to finance projects for land acquisition for fishing access and for preservation of habitat for sport species. Section 1584 of the Fish and Game Code specifies that "As used in this article, 'ecological reserve' refers to land or land and water areas preserved in a natural condition for the benefit of the general public to observe native flora and fauna and for scientific study." These two projects do not qualify as ecological reserves and the funds for acquisition should be deleted.

MISCELLANEOUS PROJECTS

We recommend approval of the following proposed expenditures to be appropriated to the organization shown:

1. The preparation of air pollution education films for showing in drive-in theaters, \$2,500, Air Resources Board.

2. An allocation to Los Angeles County to prepare ecological exhibits at the Placerita Canyon Nature Center, \$163,000, Department of Parks and Recreation Local Assistance.

3. Youth Litter Patrol. The allocation of \$50,000 to local agencies who in turn would pay the expenses of volunteer youth groups to conduct litter cleanup projects along roadways and at parks, Resources Agency.

4. Pacific Crest Trail. This proposal is the allocation of \$53,000 for the purchase of private land for 12 miles of trail 20 feet wide to join two sections of the Angeles National Forest in Los Angeles County. The project justification shows a possibility of severance damages amounting to \$110,000. The Resources Agency indicates that these damages are to be paid by either Los Angeles County or the U.S. Forest Service and that unless those agencies assume the damages the state will not finance the acquisition of the land, Resources Agency.

5. Natural Areas Data Collection Program, \$100,000. This allocation provides for the preparation of a statewide inventory of natural areas of scientific, educational or aesthetic interests. The final product is to be a booklet that can be used by government agencies and private firms in preparation and review of environmental impact statements, Office of Planning and Research.

Resources Agency

STATE SOLID WASTE MANAGEMENT BOARD

Item 198 from the General
Fund

Budget p. 119 Program p. I-767

Requested 1973-74	\$187,000
Estimated Expenditures in 1973-74 with carryover funds.....	315,000
Estimated 1972-73.....	100,000
Expenditure increase \$215,000 (215 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The State Solid Waste Management Control Board was established by Chapter 342, Statutes of 1972. The board consists of seven specially qualified part-time members, five of whom are appointed by the Governor and one each by the Speaker and the Senate Committee on Rules. The board is charged with the responsibility of developing plans, programs, and policies for effective management to assure coordinated development of a comprehensive waste management plan for the entire state and to maximize the reuse of solid wastes while protecting the public health. The board will be assisted by an advisory council in the development of policy and programs regarding waste management and resource recovery. The council will be composed of 25 specified members appointed by the Governor and confirmed by the Senate.

ANALYSIS AND RECOMMENDATION

We recommend approval.

The enabling legislation appropriated \$228,000 from the General Fund for 1972-73 initial operations which are anticipated to begin in March 1973. Expenditures in 1972-73 are now estimated to cover the establishment of 12 positions for approximately one-fourth of the year plus necessary operating expenses and equipment. It is estimated that approximately \$128,000 will be carried forward to 1973-74.

This budget request for \$187,000 from the General Fund will supplement the carry over of \$128,000 to finance expenditures in the budget year of \$315,000. During the budget year the primary activity will be the establishment of initial policy and the development of program outlines and objectives. These policies and programs are proposed to be refined and fully expanded in the 1974-75 fiscal year. The precise amount of funding is not certain but the proposed request appears reasonable.

**Resources Agency
AIR RESOURCES BOARD**

Items 199-202 from the General
Fund, Motor Vehicle Fund
and California Environmental
Protection Program Fund.

Budget p. 120 Program p. I-769

Requested 1973-74	\$11,772,477
Estimated 1972-73.....	12,220,964
Actual 1971-72	7,537,177
Requested decrease \$448,487 (3.6 percent)	
Increase to improve level of service \$400,000	
Total recommended reduction	\$500,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Budget Revision.* Recommend Air Resources Board clarify budget to clearly identify goals and programs to achieve them. 428
2. *Mandatory vehicle emission inspection and vacuum spark advance disconnect.* Recommend Legislature adopt a program of mandatory emission inspections and authorize vacuum spark advance disconnect as an emission control device. 437
3. *Delete Item 201 in the amount of \$500,000.* Item was included in Budget Bill through error. 437

GENERAL PROGRAM STATEMENT

The Air Resources Board (ARB) is composed of five part-time members appointed by the Governor who have special qualifications in air pollution. This board replaced the former 14-member board at the beginning of the current year.

The administrative functions and most of the board's staff are located in Sacramento. Vehicle testing and laboratory functions are conducted at the new El Monte Laboratory which became operational in November.

The programs of the board are to a large extent governed by the requirements of the federal Clean Air Amendments of 1970. This federal legislation established specific requirements for California and other states in controlling pollution and obtaining clean air. Because the state has been unable to submit plans to obtain clean air which meet federal requirements, strong pressures are being exerted on the federal Environmental Protection Agency (EPA) to implement drastic solutions to the state's air quality problems and the EPA in turn is exerting pressure on the state. These pressures will be critical in the budget year.

ANALYSIS AND RECOMMENDATION

Estimated total expenditures of the Air Resources Board are \$13,052,477 for the budget year. This amount is composed of \$6,948,119 from the General Fund (a decrease of \$138,475); \$4,324,358 from the Motor Vehicle

Account in the State Transportation Fund (an \$810,012 decrease); \$500,000 from the California Environmental Protection Program Fund; and \$1,280,000 from reimbursements. The budget request is \$11,772,477 after reimbursements are deducted. A \$4,600,000 General Fund subvention program authorized by Chapter 1016, Statutes of 1972, continues in the budget year. The expenditures from the Motor Vehicle Account in the State Transportation Fund are primarily for motor vehicles emissions control, research and air quality surveillance.

In 1970 the Legislature established the Environmental Protection Program Fund to receive revenues from the sale of personalized license plates. The sum of \$1,235,000 was appropriated from that fund to the board in 1970 for research on stationary (nonvehicular) air pollution research. To date only \$350,000 has been released for expenditure by the administration. The 1973-74 budget is now requesting that \$500,000 be appropriated to the Resources Secretary for several research projects by the board.

Summary of Position Changes

Substantial increases in staff are proposed for the budget year through an increase from 251 positions in the current year to 291.5 positions in 1973-74. The distribution of new and existing positions is shown for a four-year period in Table 1 where they are categorized by function. The largest increases in the budget year are in motor vehicle emissions control which has an increase of 16 personnel primarily for assembly line testing. Administration also has a substantial increase of 12 positions.

Table 1
AIR RESOURCES BOARD
Distribution of Positions by Fiscal Year

Activity	Actual 1970-71	Actual 1971-72	Estimated 1972-73	Budgeted 1973-74
Air quality surveillance.....	(38.0)	(48.5)	(63.0)	(67.0)
Air quality monitoring	24.5	31.5	38.0	40.0
Stationary source evaluation	3.0	3.5	6.0	6.0
Air quality data processing	5.5	8.4	12.0	14.0
Management and support	5.0	5.1	7.0	7.0
Air quality control	(28.8)	(41.0)	(47.0)	(50.0)
Standards setting.....	2.8	3.0	5.0	5.0
Inspection and investigations	3.0	3.0	0.0	0.0
Enforcement	4.0	7.5	9.5	12.0
Implementation.....	7.0	12.0	13.0	13.5
Engineering	7.0	8.5	12.5	12.5
Management and support	5.0	7.0	7.0	7.0
Vehicle emissions control.....	(68.0)	(78.0)	(88.0)	(107.0)
Compliance and assembly inspection	8.0	9.0	11.0	12.0
Assembly-line surveillance	0.0	0.0	0.0	16.0
Emission reaction studies	24.0	24.0	24.5	24.5
Vehicle testing.....	26.0	35.0	36.0	38.0
Management and support	10.0	10.0	16.5	16.5
General	(21.9)	(33.0)	(53.0)	(65.0)
Research	3.5	4.1	8.0	8.0
Evaluation and planning.....	2.6	6.2	10.5	12.5
Legal	1.0	1.0	1.0	3.5
Public information	1.5	2.4	4.0	5.0
Administration.....	3.5	3.4	9.5	10.5
Administrative services.....	9.8	15.9	20.0	25.5
Totals	156.7	200.5	251.0	289.0

AIR RESOURCES BOARD—Continued

EVALUATION OF AIR RESOURCES BUDGET

We recommend that the Legislature instruct the Air Resources Board to revise its budget to provide clear program objectives and goals, methods and programs to achieve 1973-74 fiscal year goals, and an explanation or details showing how the funds requested will achieve the goals, programs and methods.

Air pollution control is in a state of turmoil as governmental agencies at all levels seek answers to old problems while new, more effective techniques are being researched or developed for new problems. This dynamic condition is reflected in major changes which are occurring in all aspects of air pollution control. Programs which were undertaken one or two years ago now need review or major modification and in some cases, should be dropped in favor of newer approaches at different levels of government. These rapid changes make up-to-date budgeting and programming essential.

The budgets of the Air Resources Board in the last several years have included major staff increases which approximated the maximum number of new personnel that could be effectively absorbed. In effect most programs were being expanded as rapidly as possible in an effort to execute new state legislation. New directions and policies were largely established by the Legislature in a continuing series of bills which prescribed what the ARB was to do. With the enactment of the federal Clean Air Amendments of 1970 and the organization of the Environmental Protection Agency, the ARB is now responding to federal directives in many instances. However, it has also been increasingly necessary for state legislation to be broader in scope and leave much of the decisionmaking to the ARB through exercise of its rule making authority or through administrative decisions.

In 1970-71 the Legislature established a program and evaluation staff in the board so that the board itself could handle the broad planning and management aspects of air pollution control. In 1971 the Legislature restructured the board to improve its decisionmaking capability and made other organizational improvements. Thus, the board now has the staff, management capability and structure to formulate priorities and establish programs for the 1973-74 fiscal year. However, the board's budget for next fiscal year is not consistent with the above changed conditions but instead continues as in the past to be a simple extension of the current year staffing plus the addition of some new positions and various expenditure increases. The budget does not fulfill the customary function of showing the Legislature the purposes for which funds are requested and the way that the board will spend the funds to solve the problems before it. Because air pollution control is currently so significant to the Legislature and the public, it is desirable that the board utilize its new capacities to develop a budget for the Legislature which will outline what the board intends to do in the next fiscal year and how these actions will improve air quality. Clear goals and specific methods of implementing them are needed.

The board actually prepared its 1973-74 budget last summer and fall when many important policy bills had not yet been acted on by the

Legislature. In addition, a number of important public policy decisions on air pollution have been made, the unfavorable review by EPA of the state's air quality implementation plan is now known, and, finally, more data and information on programs are available. The board probably cannot detail all aspects of its 1973-74 program because some important elements remain unknown and will have to be filled in as circumstances permit. However, much more can be done than has been included in this budget. The following discussion attempts to outline some of the more important problem areas where the budget should be improved or more accurately state the board's program.

Subvention Program (Item 202)

Chapter 1016, Statutes of 1972 provided \$4.6 million from the General Fund for a subvention program to local government. The money is to assist local government in attaining sufficient technical staff to operate as local air pollution control agencies. It is therefore difficult to understand why the board is increasing its staff to assist local government at the same time. The board's staff has advised us that a number of small districts would probably use the subventions to contract with the ARB for technical assistance. This would result in having the board serve as the contract agent to perform work for a local agency when the board is required by law to assure that the same local agency performs the work properly. If the local agency does not perform the work correctly the board is required by law to withdraw the subvention and perform the work itself. This condition is unsatisfactory and does not justify additional money for board staff. In addition the costs of local assistance may actually be budgeted twice, as a board cost and as a subvention. The board has scheduled a workshop to evaluate the subvention program on April 5, 1973.

Land Use Planning

The budget of the board includes one new position to carry out the functions of Chapter 1338, 1972 session. This position is to develop guidelines for local government to integrate land use control with air pollution control. Land use planning in relation to air pollution control is important because it is one of the requirements of federal law on which the EPA is placing much emphasis. Very little is known about the processes of such controls and how they might be implemented. The preparation of these land use planning guidelines was all that the Legislature was willing to approve in Chapter 1338, presumably because the proposed total program was inadequate. Because the Legislature would not approve the proposal before it last year and the federal government is pressing for accomplishments, the addition of one position in the board's budget merely to prepare the guidelines authorized by the Legislature does not appear to be an adequate response to the program needs. The board should be developing a comprehensive approach to a solution of the land use control problem which it could submit to the Legislature either through the budget or by a separate bill. The fact that the Legislature would not approve the board's first comprehensive approach does not mean that the board should not renew its efforts to plan a program and provide for planning such a program in its budget.

AIR RESOURCES BOARD—Continued**Research**

The board has indicated that almost all of the \$7.8 million of research money appropriated by Chapter 1599, Statutes of 1970 from the Motor Vehicle Fund for a research program oriented around vehicle pollution is being allocated during the current year for various projects. The board is now seeking \$1,500,000 in additional funds for further research for relatively undefined stationary and vehicular research. We concur that continued research is of prime importance, so important that an evaluation of the research program results to date and the development of a specific program for additional funds is needed. The proposed budget indicates seven categories to receive research funds that appear to be of a non-vehicular nature but no priorities and program objectives are stated. A check indicates that the board is not using fully the wealth of information being accumulated by the Air Pollution Technical Information Center operated by the federal government.

It is also apparent that the board has not determined how best to structure its research effort and individual projects to secure the data it needs for setting emission standards and other regulatory purposes. For example, the board continues to collect emission data on recent model cars through its "random" testing (surveillance) program for emissions. The staff recognizes, as we have pointed out in the past, that this program does not use a true random sampling process because the test is limited to volunteers who submit their cars to testing at two Department of Motor Vehicles license renewal centers. An alternative is to contract for research by an outside firm which actually selects cars on a random basis and then secures the cooperation of the vehicle owner by paying the owner of the car for the privilege of testing it. This approach has been used in some research projects and is at present the only apparent means (other than mandatory testing) of securing random data which has statistical significance. The board needs to evaluate this problem, determine the best approach and then proceed to secure reliable data to support its regulatory efforts. If research assistance in land use planning (see previous section) should be needed, this should be included in the research program.

The board apparently recognizes a need to review the research program and determine whether it needs modification. A workshop session on the research program has been scheduled for March 23, 1973. The budget request should be modified or clarified based on the review made at this workshop session. The ARB should formulate some measures of the size of research program needed. A report to the Legislature on the new knowledge gained from research completed and the followup research identified at the workshop as needed would be in order.

There is an error in the budget in that Item 201 appropriates \$500,000 to the Air Resources Board from the Environmental Protection Program Fund for research. This is a duplication of a like amount which is proposed to be transferred from the Resources Secretary's office. This funding error should be related to the contents of the research program to be certain that its effect on the program is fully understood and will not be adverse.

Random Roadside Testing

Two years ago the Legislature authorized the Highway Patrol to undertake random roadside testing of vehicle emissions. These tests are made at idle engine speeds with a probe in the tailpipe of the car. They are quick and easy to perform. However, they measure only HC and CO. The very important NO_x emissions are not measured (see discussion below on vacuum spark advance disconnect and on used-car emissions control devices). As a consequence this test program will not measure the effectiveness of the retrofit devices on used cars which was prescribed by the board to reduce emissions of NO_x or the ability of new cars to operate with reduced NO_x emissions. While the original roadside test appears to be random in its application and should be statistically significant, it is not technologically sufficient because it does not measure NO_x .

Vehicle Emission (Surveillance) Testing

Last year we commented extensively on the random testing of vehicle emissions by the Air Resources Board at two Department of Motor Vehicles license renewal centers in the Los Angeles area. The locations were selected to secure a supply of cars for testing exhaust emissions of typical cars on the road. The testing was intended to cover a random sample which would be representative of the vehicle population in the Los Angeles area. We pointed out last year that the test is not random and that it did not include vehicles with more than 50,000 miles.

The testing of vehicles with more than 50,000 miles has suddenly become very important to secure a data base for control of used car emissions. Therefore the board has now extended its testing to cars having mileage up to 100,000 miles. The board is further modifying the program to test the emission reductions on used cars with retrofit emission control devices for NO_x . Meanwhile current knowledge of the emissions of cars with mileage in excess of 50,000 miles is primarily an extension of the staff's assumptions of what happens to these emissions rather than actual test results of a sufficient number of cars to be statistically significant.

Of greater importance is the fact that the test is still not random. Discussions with the field staff conducting the tests indicate that about two out of three owners of vehicles contacted to undergo the test refuse. The field personnel indicate rather clear patterns of refusal to permit the test because of type of car, its age, apparent condition or other factors. As long as this is the case and the board has no basis of compensating for this lack of random sampling, the results of the testing program cannot be accepted as having full statistical or technical validity. Nevertheless, this is the major basis which the board has for gathering emission data on how new and used cars perform in the hands of their owners.

It should be noted that the published data on the test results do not identify the frequency distribution or the degree of extrapolation used in plotting the data shown on the test result graphs. In addition the test crews run tests on only approximately 50 cars per week which makes this test program high in cost for the limited number of cars tested. The board should review the cost effectiveness of this test program compared to alternative approaches such as research contracts.

AIR RESOURCES BOARD—Continued**Vacuum Spark Advance Disconnect**

Last year this analysis recommended that the Legislature provide for a program of vehicular emissions control on used cars in the Los Angeles Air Basin which would include vacuum spark advance disconnect (VSAD) and mandatory emissions inspection of all cars. The purpose of the VSAD recommendation was to provide a rapid and effective means of reducing the NO_x emissions of cars in the Los Angeles Air Basin at a conversion cost of about \$10 per car. Legislation for this purpose was introduced but the board did not have a firm position on it. Instead the board has proceeded with implementation of a much more expensive approach which requires expenditures from \$20 to \$85 per car for retrofit add-on devices. This was in accord with the provisions of law. The VSAD approach could not be used by the board without a change in law which would permit it as an alternative to the more expensive retrofit devices.

Because the board saw merit in VSAD it entered into several contracts for research and to gather data on it. These contracts were intended to evaluate potential damage to the motor, benefits in emission reductions and reductions in driveability. An ARB staff summary of the tests conducted to date stated "that the adverse effects of VSAD would be no greater than those attendant to the Echlin device." The Echlin device has been approved by the ARB for installation on 1966-70 vehicles and is little more than VSAD. These limited findings tend to substantiate the validity of our last year's recommendation for VSAD and indicate that the public is probably spending large sums of money for ARB mandated retrofit devices when VSAD would secure reductions in NO_x . We recommend, therefore, that the use of VSAD be authorized by the Legislature as an alternative to presently certified more costly devices for drivers who elect this approach. Research conclusions on VSAD are not precise (i.e. extent of valve damage) and point up the need for the board to define its research projects more carefully so that the board secures the information it needs for decisionmaking on a timely basis.

Used Car Emission Control (Retrofit) Devices

The ARB has accredited devices from General Motors and Air Quality Products primarily for use in reducing NO_x emissions on 1955-65 cars. Installation of these devices became mandatory in the six counties of the Los Angeles Air Basin starting in September 1972 upon first registration or registration and transfer of ownership. This program became effective in the San Diego area on December 1, 1972, and will become effective in the nine San Francisco Bay area counties on March 1, 1973.

Effective February 1973 the installation of NO_x control devices for 1966-1970 vehicles will become mandatory upon first registration or registration and transfer of ownership. A schedule has been established to accomplish this statewide by May 1, 1974. Three accredited devices are available but no pilot program has been established to insure that problems of mass installation can be avoided.

No program has been established to show what followup action will be taken to determine the performance problems that will be encountered

from these devices as mileage is accumulated on the cars. In addition information published by the Bureau of Automotive Repair reveals that a large percentage of the emission control devices are not being installed properly. A recent inspection of 24 vehicles with devices installed revealed 22 of the installations were done improperly. This is primarily due to faulty adjustment. It has not yet been determined how prevalent poor installations are.

The inability of the board's random test (surveillance) program to accurately measure the results of the use of these devices has already been discussed.

Administration Task Force Report

The ARB staff participated in a task force established by the administration which reviewed the subject of mandatory vehicle inspection to control emissions. The ARB staff has indicated that it supports the recommendations of this report and that legislation to implement it may be introduced. The task force report recommended the following program:

- (a) All vehicle emission repairs would be done pursuant to state-prescribed regulations.
- (b) Expansion of random vehicle emission inspection program conducted by the California Highway Patrol (CHP) through the appropriation of \$1.8 million for more roadside idle tests. (This test is not capable of measuring NO_x).
- (c) Continue the existing program of retrofit compliance inspection of used cars at the time of first registration, or registration and transfer of ownership.
- (d) Increase the participation by the Bureau of Automotive Repairs through the appropriation of \$2.5 million for inspection activity at repair facilities to insure higher quality work.
- (e) Appropriate \$600,000 to the ARB for continuing program evaluation.

This program has a number of major defects from a technical standpoint and very unattractive cost-benefits to the vehicle owner as follows:

- (1) The roadside test equipment does not measure NO_x.
- (2) The allowable emission level has been arbitrarily set so that 25 percent of the vehicles do not pass the inspection.
- (3) It would be difficult for the CHP to determine the improper installation, performance, disconnection, or removal of various control devices.
- (4) The major deficiency of this program would be felt by the vehicle owner. If he fails the random inspection he would be given a notice that his car must be repaired. The idle test being proposed for this activity does not identify the component which is probably malfunctioning. Consequently when the vehicle owner goes to a garage for repairs he tends to be at the mercy of the repairman. The ability to diagnose some excessive emission causes is one of the most important attributes of other test techniques such as the key mode test which is a more sophisticated test recommended by the Northrop Corporation in a study for the ARB.
- (5) Data from the CHP indicates the average cost per test performed by the random vehicle inspection program is approximately \$5 per

AIR RESOURCES BOARD—Continued

vehicle in 1972-73. This is higher than the estimated cost per vehicle for 100 percent mandatory testing according to the data in the Northrop Report.

Assembly Line Testing

Last year we recommended that the Legislature direct the Air Resources Board to report fully on its program for testing the emissions of new vehicles at the assembly line and to respond to certain questions. The ARB prepared the requested report. It discussed numerous problems that exist in this program and acknowledged that the program was not able to accomplish its original objective which was to assure each purchaser of a car that the car when delivered would pass applicable emission standards at any roadside or other required test if properly maintained. Nevertheless, the board's program budget on page 771, line 83, still implies that the 100-percent assembly line testing will achieve its original goal.

In last year's analysis we commented extensively on the official California assembly line test program which consists of testing the exhaust emissions of 2 percent of each engine family or model grouping of vehicles to be sold in California by the quality audit test which uses the constant volume sampling method (CVS). The quality audit test is intended to be a precise test of a few cars selected at random. In addition, 25 percent of the vehicles destined for California undergo a seven-mode hot cycle test while the remaining 75 percent of the vehicles will receive a simple idle test (similar to the Highway Patrol roadside test) utilizing a sampling probe in the tailpipe which measures only HC and CO. (NO_x is not measured.) The idle test is supplemented by a "functional" test used by the manufacturer. We examined several examples of manufacturer's functional tests and found only crude criteria to be used as a basis for the car to "pass or fail" the functional test. We further found that the quality audit test which is the most critical test, is given only to cars that pass the idle and seven-mode tests first. Therefore, it is not being conducted on a random sample of vehicle production.

Chapter 1234, Statutes of 1972, which was enacted after preparation of the budget, revised the assembly line testing program. It deleted the requirement that a decal be placed on each car starting January 1973 to show the actual emissions of that car and provided only that the decal show the results of the 2-percent quality audit test until the 1975 model year when the actual emissions of each car would be shown. The law now does not insure that each 1973 or 1974 model car can meet its emission standards or that it had even been tested for conformance to all three pollutant emission requirements. This change became necessary because the board had been unable to set up an assembly line testing program that could measure the three emissions of each car and, starting in January 1973, place these data on a decal attached to each car. Because the "official" test program provided only an idle test for 75 percent of production, the test data for all three emissions was not available to place on the decal. Under chapter 1234 it will be 1975 before test data on each car are available and this is the time the EPA will begin enforcing its stringent controls.

Chapter 1234 also authorized the board to charge automobile manufacturers for the actual costs incurred by ARB personnel at the assembly line for surveillance of assembly line testing as conducted by the manufacturers of California-destined vehicles. The board also proposes in its budget to charge the manufacturers for surveillance testing it performs at the El Monte laboratory, at ports of entry for foreign vehicles, and at other marshaling areas as a means of checking the manufacturers assembly line data.

Last year we commented extensively on the deficiencies and problems inherent in the new model certification program including the "engine family" concept which is used to certify conformance of prototype cars to model year emission standards prior to start of production. This certification is done prior to production startup and assembly line testing. The deficiencies of that program are still present. In addition the board's staff indicates that the enforcement of certification testing procedures is conducted for the board almost entirely by the EPA. EPA personnel have informed us that they have been insufficiently staffed to do a thorough monitoring job for their own standards. It is not clear therefore exactly what enforcement work if any EPA does for California.

At the present time assembly line testing is conducted by the manufacturer and the results are presented in summary form to the board. The summary of a vast amount of data collected by the manufacturer can only be assumed to be correct. The manufacturer is on the honor system. The scope of a program which would assure substantial accuracy and compliance is unknown.

As assembly line test data have come in from manufacturers the board has identified several instances where the quality audit test as now administered shows an appreciable deviation of the first quarter's production of 1973 vehicles from the prescribed emission levels. The board's staff advises us that the Attorney General is currently discussing this problem with several vehicle manufacturers.

In an attempt to improve assembly line testing and increase confidence in the data, the board has proposed in the 1973-74 budget to add three assembly line test crews (of two people each); to equip a second mobile van for checking California assembly plants or distribution centers; and to add test personnel at the El Monte laboratory to conduct CVS quality audit testing on new cars received from the manufacturer which have just passed the assembly line inspection test. This is to provide a means of checking the manufacturer's quality audit tests.

The board proposes to send the three two-man test crews worldwide on a plant visitation schedule of approximately two days per plant, twice a year. Since there are 68 facilities in the United States outside of California and 35 more outside of the United States, it would require this many crews to make at least two visits per year per facility. We believe this frequency of inspection is too small to be effective. The board estimates these crews would be on inspection trips about one-third of the time. The other two-thirds of their time would be spent on planning visits or preparing reports. The inspection activities would consist of observing the manufacturer's test results for compliance to published procedures from the Air Re-

AIR RESOURCES BOARD—Continued

sources Board. The crews would observe the functional tests being conducted on the emission control subsystems and components, look at data from the manufacturer's computer printout of quality control, and check calibration of test equipment.

The mobile van would be equipped with appropriate test equipment and would be operated by a three-man crew to check the manufacturer's seven-mode and idle tests by visits to California assembly facilities, to points of entry or to distribution centers. This lab will tag those vehicles which will be tested at the El Monte facility for quality audit test. No justification is stated for checking California vehicle production differently from out-of-state production.

Additional staff at the El Monte lab will conduct the CVS quality audit test. The lab will be capable of testing eight cars a day by the CVS method, whereas the mobile lab will test 35 vehicles per day by a different method. The total of all cars that will be tested by the El Monte lab and by the mobile lab will be about 10,000 per year of the approximately one million cars per year sold in California. A total of 16 personnel are requested for this program.

It is clear that assembly line testing is not accomplishing its original objective which was to assure each purchaser of a new car that the car had met emission standards. The present limited assembly line testing probably is beneficial; however, the objective of present testing and the extent to which it is beneficial are undetermined and not subject to evaluation.

Overall Status of Testing

The foregoing discussion indicates serious deficiencies in vehicular testing by the ARB whether for data collection or for emissions control. These deficiencies are basic to the future of the air pollution control program and appear to confront the ARB and the Legislature with the need to make some basic decisions on the direction of future efforts if better results are to be secured.

It is basic that the primary needs of (1) securing adequate emission data and (2) assuring conformance of operating vehicles to emission standards in California both involve determining, the actual performance of the vehicles on California's highways. This requires an adequate test routine with adequate equipment. Mandatory annual vehicle emission inspection for all three emissions is the only test approach that serves all these purposes. It tests all cars for conformance to emission standards each year and in the process provides the best possible statistical basis for evaluating both the performance of the vehicle population and the feasibility of making future changes in emission standards in order to secure improved performance of the vehicles.

An adequate mandatory test program is not only essential to the state, but it is also included in the program which the Environmental Protection Agency will likely mandate the state to undertake. Furthermore, such a test program is also contemplated in the recent actions of Congress to grant funds to the states to establish a combined mandatory vehicle safety and emissions inspection program. It is thus a matter of great urgency for

the state and a matter to which the board's budget should give some attention.

The concept of an adequate mandatory emissions testing program was developed in a report prepared for the Air Resources Board last year by the Northrop Corporation. It was recommended to the Legislature by this office last year. If such a test program were established, it would replace all the random sampling, assembly line testing and new vehicle certification work (when coupled with manufacturer's warranties) now done or to be done by the board. Instead of the present variety of complex tests it would merely be necessary that each new car in California, prior to delivery to the customer, be tested for conformance to emission standards by the same test that would subsequently be required of the vehicle in future annual emission tests during its operating life.

RECOMMENDED STATE PROGRAM

We recommend that the Legislature authorize the use of vacuum spark advance disconnect and establish a program for mandatory vehicle emission inspections in the Los Angeles Air Basin.

The foregoing discussion of certain problems and deficiencies in the board's budget has been structured around the need for a revision by the board of its 1973-74 budget. As part of this discussion, some information has been introduced regarding the recommendation of this office last year consisting of (1) vacuum spark advance disconnect, (2) tuning motors to minimize emissions, and (3) enforcement (and data gathering) through a mandatory vehicle emission inspection program. Events during the past year have not substantially modified the need and justification for this program except that because of the recent certification by the board of five retrofit devices for NO_x control in used cars, the vacuum spark advance disconnect can only be used now as an alternative to the presently authorized devices.

The program recommended last year as outlined above was presented to the Assembly Transportation Committee at its request in a statement of the Legislative Analyst, dated March 2, 1972. That statement is still pertinent and is the basis for this present recommendation that the Legislature authorize vacuum spark advance disconnect and establish a program of mandatory vehicle emission inspection in the Los Angeles Air Basin.

The Environmental Protection Agency and other groups working on smog control problems in the Los Angeles Air Basin are evaluating far more drastic and severe steps such as gasoline rationing which would have long-range and perhaps much greater effect in reducing smog in the Los Angeles Air Basin. However, included among some of the initial steps that the EPA would mandate before undertaking gasoline rationing are such actions as contained in this recommendation.

Error in Budget Bill

We recommend that Item 201 be deleted from the Budget Bill.

There is an error in the Budget Bill and the Governor's Budget in that Item 201 duplicates a \$500,000 appropriation for research from the Environmental Protection Program Fund which is also made in Item 197. The

AIR RESOURCES BOARD—Continued

Department of Finance advises us that it will request that the error be corrected by removing Item 201.

**Resources Agency
CALIFORNIA ADVISORY COMMITTEE**

Item 203 from the General
Fund

Budget p. 121 Program p. I-780

Requested 1973-74	\$8,320
Estimated 1972-73	8,000
Actual 1971-72	1,837
Requested increase \$320 (4.0 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The California Advisory Committee was authorized by Chapter 1647, Statutes of 1965. It consists of an Assembly member, a Senate member, one member of the California Water Commission and four Governor's appointees. The committee is authorized to hold hearings and provide advice to both the Legislature and to members appointed by this state to any inter-state organization participating in water planning among the western states (presently the Western State Water Council).

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The budget request for the Advisory Committee is \$8,320 in 1973-74 which is 5 percent more than in the current year. The extent of activity is difficult to anticipate because the committee reacts to those planning activities and programs in the western region which are important to California.

Resources Agency**CALIFORNIA-NEVADA INTERSTATE COMPACT COMMISSION**

Item 204 from the General

Fund

Budget p. 122 Program p. I-781

Requested 1973-74	\$27,500
Estimated 1972-73.....	27,500
Actual 1971-72	20,123
Requested increase—None	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

In 1955 the seven-member California-Nevada Interstate Compact Commission was created to cooperate with a similar commission representing Nevada in formulating an interstate agreement on the distribution of waters from Lake Tahoe and the Truckee, Carson and Walker Rivers. The present version of the compact was ratified by California in 1970 and Nevada in 1971. Since that time the commission has attempted to have the compact ratified by the Congress as required by the United States Constitution.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The commission has not been able to gain federal concurrence on the terms of the compact due to difficulties concerning federal water rights and water rights of the Paiute Indians and Pyramid Lake. In September 1972 the United States asked permission of the United States Supreme Court to file a complaint against the States of California and Nevada. Under this action the United States is seeking to establish certain rights of the United States to the use of waters of the Truckee River system, including rights for the Pyramid Lake Indian Reservation in Nevada. If the Supreme Court hears this suit, California will become involved. The extent of its involvement and the effect on the commission's program for the 1973-74 fiscal year is unknown at the present time.

**Resources Agency
COLORADO RIVER BOARD**

Item 205 from the General
Fund

Budget p. 123 Program p. I-782

Requested 1973-74	\$99,422
Appropriated 1972-73	104,642
Appropriated 1971-72	155,375
Requested decrease \$5,220 (5.0 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Colorado River Board is responsible for the protection of the rights and interests of the state to the water and power resources of the Colorado River System (Part 5 of Division 6 of the California Water Code). The board is composed of six members appointed by the Governor, each from one of the public agencies having rights to the use of water or power from the Colorado River. These agencies are: Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley Water District, The Metropolitan Water District of Southern California, San Diego County Water Authority and City of Los Angeles Department of Water and Power.

Activities include analyses of the engineering, legal, and policy matters concerning the water and power resources of the seven Colorado River Basin states: Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The board develops a single position among the California agencies having established water rights on the Colorado River. The board also collaborates with other California agencies, primarily the Department of Water Resources, State Water Resources Control Board, Department of Fish and Game, and the Attorney General in all matters requiring a coordinated policy for the Colorado River.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Starting in the 1972-73 fiscal year the Colorado River Board is funded one-third by the state and two-thirds by the six water agencies listed above. The 1973-74 program continues the current year level with estimated total expenditures of \$298,297 and a General Fund request of \$99,422.

**Resources Agency
DEPARTMENT OF CONSERVATION**

Items 206 through 213 from the
General Fund and from seven
special funds

Budget p. 124 Program p. I-785

Requested 1973-74	\$51,308,513
Estimated 1972-73	52,273,569
Actual 1971-72	45,072,889
Requested decrease \$965,056 (1.8 percent)	
Increase to improve level of service \$193,741	
Total recommended reduction	\$481,315

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

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| 1. <i>Conservation Camps. Reduce Item 206 by \$346,724. Recommend 28 foreman positions be deleted in line with reduced population levels at the camps.</i> | 449 |
| 2. <i>Seismograph Operation. Reduce Item 206 by \$34,200 and delete Items 212 and 213 in the amount of \$11,400 each. Recommend deletion of request to finance one-half the operating costs of the California Institute of Technology seismograph network because there is no clear basis for state funding. Recommend department study feasibility of state operation of networks with universities financing research.</i> | 451 |
| 3. <i>General Support. Reduce Item 206 by \$77,591. Recommend funds be deleted for contractual services that have been completed.</i> | 454 |

GENERAL PROGRAM STATEMENT

For fiscal year 1973-74, the Department of Conservation total support expenditures from various fund sources are as follows:

1. Item 206, General Fund.....	\$49,273,251
2. Item 207, Petroleum and Gas Fund	1,562,173
3. Item 208, Petroleum and Gas Fund—Geothermal Resources Account.....	16,714
4. Item 209, Subsidence Abatement Fund.....	140,884
5. Item 210, Strong-Motion Instrumentation Program Fund	203,950
6. Item 211, Professional Forester Registration Fund.....	88,741
7. Item 212, California Water Fund.....	11,400
8. Item 213, State Transportation Fund—State Highway Account.....	11,400
Total	<u>\$51,308,513</u>

The Department of Conservation exercises the state's responsibilities for the protection and development of certain wildland, mineral and soil resources in the state. The department includes the Divisions of Forestry,

DEPARTMENT OF CONSERVATION—Continued

Mines and Geology, Oil and Gas, and Resources Conservation, plus management and service functions furnished for these divisions by the executive and management services staff at the department level.

The Division of Forestry is the largest division and is responsible for about 94 percent of the department's expenditures. Almost all of that division's effort is directed toward providing fire protection services for the state responsibility, privately owned wildlands of the state or for local responsibility areas of the state pursuant to contracts with local government.

The Division of Mines and Geology develops and publishes geologic information about the terrain and the mineral resources of the state and conducts a strong-motion instrumentation program to measure the large-scale, destructive ground motion in an earthquake.

The Division of Oil and Gas regulates the drilling of oil, gas and geothermal wells.

The Division of Resource Conservation provides limited planning assistance to help solve soil and watershed problems, both at the state and local levels, and administers the open space subvention program.

Policies for the administration of the Divisions of Forestry, Mines and Geology, and Resource Conservation are established by the Board of Forestry, the State Mining and Geology Board and the Resource Conservation Commission, all of whose members are appointed by the Governor. Statutory responsibilities of the department are in Divisions 1, 2, 3, 4, and 9 of the Public Resources Code.

Funding Sources

Table 1 indicates the annual expenditures from all sources by the department for a five-year period.

Total state controlled departmental expenditures will be over \$71 million in 1973-74. Most of the expenditures will be financed by the General Fund and by reimbursements. The reimbursements of over \$16 million are mostly for local fire control services performed by the Division of Forestry, services to division employees, services to other agencies by conservation camp and Ecology Corps crews, and payments from the federal government for state protection of public domain land.

The Schedule C funds are for local fire protection services and related purchases made by counties or fire districts as directed by a local Division of Forestry fire control officer.

Program Increases

The total appropriation request of \$51,308,513 for next year is \$965,056 or 1.8 percent less than estimated expenditures of \$52,273,569 in the current year. The difference is due mostly to \$2,100,000 in estimated emergency fund expenditures in the current year that do not appear in the budget year. Also, in the 1973-74 budget, the inmate pay allotment of \$218,220 formerly budgeted by the Department of Conservation is budgeted by the Department of Corrections. If the budget is placed on the same

Table 1
Department of Conservation—Support Expenditures

<i>Source of funding</i>	<i>1969-70</i>	<i>1970-71</i>	<i>1971-72</i>	<i>1972-73¹</i>	<i>1973-74¹</i>
General Fund (includes emergency fund allocations for fire suppression as shown in parentheses)	\$43,308,081	\$44,838,546	\$43,630,632 ³	\$50,430,474 ³	\$49,273,251 ³
	(1,500,000)	(2,629,178)	(1,731,561)	(2,300,000)	(200,000)
Petroleum and Gas Fund	1,167,528	1,265,759	1,290,376	1,491,313	1,562,173
Petroleum and Gas Fund—geothermal resources	12,600	12,150	6,750	16,579	16,714
Subsidence Abatement Fund	118,221	122,839	127,782	139,333	140,884
Strong-Motion Instrumentation Program Fund	—	—	17,349	195,870	203,950
Professional Forester Registration Fund	—	—	—	—	88,741
California Water Fund	—	—	—	—	11,400
State Transportation Fund—State Highway Account	—	—	—	—	11,400
Total expenditures as shown in Governor's Budget	\$44,606,430	\$46,239,294	\$45,072,889	\$52,273,569	\$51,308,513
Other expenditures—reimbursed	9,309,725	11,883,859	12,970,249	16,305,442	16,056,198
Total budget expenditures	\$53,916,155	\$58,123,153	\$58,043,138	\$68,579,011	\$67,364,711
Schedule C funds ²	3,353,909	2,928,386	3,586,264	4,485,601	4,485,601
Total state-controlled expenditures	\$57,270,064	\$61,051,539	\$61,629,402	\$73,064,611	\$71,850,312

¹ Estimated.

² Estimated local funds expended for local fire suppression services as directed by the Division of Forestry.

³ Includes minor capital outlay.

DEPARTMENT OF CONSERVATION—Continued

basis as the current year, there is an increase of \$1,353,164 or 2.6 percent in expenditures. The budget includes new state expenditures of \$499,741 of which \$193,741 improves the level of state service to the public.

Increased program expenditures for 1973-74 are as follows:

1. Fire control, state responsibility: \$200,000 to purchase personal safety equipment for firefighters and \$33,000 to purchase mechanized equipment for conservation camp crews.
2. Forest, range and watershed management: \$88,741 for the registration of professional foresters.
3. Fire protection, local government contract: \$1,047,031 local cost for 71 new positions and 21 man-years of overtime in the current year and continued in the budget year for added service to local government.
4. Geologic hazards and mineral resources conservation: \$63,000 for increased workload in geologic hazards and \$57,000 to finance one-half the annual operating cost of the California Institute of Technology seismograph network.
5. Oil, gas and geothermal protection: \$42,000 for additional workload in geothermal resources and \$16,000 to microfilm oil and gas well records.

Excluding the 71 added positions for the local government fire protection program, there is a net increase of 14 positions for state responsibility programs.

ANALYSIS AND RECOMMENDATIONS**WATERSHED AND FIRE PROTECTION**

The objectives of the Watershed and Fire Protection Program are to develop the private and state-owned watershed lands and water resources and protect these resources from destructive natural and human impacts. Total program expenditures in the budget year are estimated to be \$63,210,719 compared to estimated expenditures in the current year of \$64,572,633. The Division of Forestry performs the program.

The program elements and budgeted expenditures in 1973-74 are as follows:

1. Fire prevention, state responsibility	\$3,012,964
2. Fire control, state responsibility	35,239,389
3. Fire protection, local government contract	11,668,251
4. Forest, range and watershed management.....	2,646,664
5. Conservation camp	4,254,423
6. Ecology Corps.....	1,541,045
7. Civil defense and other emergencies.....	123,013
8. General support distribution.....	4,724,970

Fire Control, State Responsibility

The fire control, state responsibility program element is budgeted for the largest expenditure of all activities in the Department of Conservation. The program element includes nearly all of the field organization of the Division of Forestry, which protects about 33 million acres of mostly

private land. There are about 1,600 permanent employees and 1,800 seasonal firefighters serving as initial attack forces. Program expenditures in the budget year are estimated to be \$35,239,389 compared to estimated expenditures of \$36,928,384 in the current year. The difference in expenditures is due mostly to \$2,100,000 in estimated emergency fund expenditures in the current year that do not appear in the budget year.

Emergency Fund Expenditures

The Division of Forestry includes in its support budget most of the financing required for state fire protection services during the course of a fire season. Each year, however, the division makes additional expenditures which are ultimately financed by the state's Emergency Fund. In recent years the amounts have been increasing because of increased use of such costly equipment as airtankers and helicopters. Also, in 1971 the Governor announced cash payment would be made for overtime. Because fire suppression needs are unpredictable, most of the overtime has customarily been funded from the Emergency Fund. The department policy to pay ecology corpsmen \$2.80 per hour for overtime on emergency assignments has also increased Emergency Fund expenditures.

Through November 30, 1972, the department has recorded emergency fire suppression expenditures of \$2,208,334 in the current year. Major categories of those expenditures are as follows:

1. Overtime, forestry employees	\$441,239
2. Overtime, ecology corpsmen	119,853
3. Retardants for airtankers	462,183
4. Rental of airtankers	303,410
5. Rental of helicopters	112,365
6. Rental of bulldozers, buses, chain saws	334,026

Public Employment Program (PEP)

During calendar year 1972, the Department of Conservation was allocated federal funds under the Public Employment Program (PEP) established by the Emergency Employment Act of 1971 (PL 92-54). As of December 15, 1972, the department had received a total of \$1,430,484 in federal funds. The funds were used to finance 293 positions, all except four of which were in the Division of Forestry. The funds also provided an additional 125 positions for the division during a three-month period of the fire season to hire returning Vietnam veterans. Neither the dollars nor the positions appear in the department's budget.

The largest amount of effort of the PEP employees was in the firefighter class as part of the fire control, state responsibility program. The firefighter class is a temporary, seasonal classification utilized by the Division of Forestry during the fire season primarily to man the fire stations and firetrucks. The PEP employees were recruited during the winter time for the most part, and were assigned to approximately 180 different fire stations. Before the fire season began, the employees performed fire station maintenance, fire road maintenance and fire hazard reduction. During the fire season, the employees were assigned to fire stations for fire duty along with the state-funded seasonal firefighters.

In addition to the firefighter classification the Division of Forestry has

DEPARTMENT OF CONSERVATION—Continued

also utilized PEP employees as delineators in developing and updating the administrative maps and charts used by the Division of Forestry in fire protection programs. There are 22 positions assigned to this work which is being conducted in Los Angeles.

As of November 14, 1972, there were 170 PEP employees remaining with the Department of Conservation. The federal government has placed a hiring freeze on replacement of the PEP participants and the future of the federal program is uncertain.

The input of PEP employees to the state's fire control program during the 1972 season was substantial. However, the state program is so large and so dispersed throughout the state that it is difficult to determine the value of the additional manpower that was provided by this federal program. To date, the only evaluation of the program by the department indicates that the ". . . field supervisors and administrators have been extremely impressed by the contributions of the PEP participants. . . ."

Status of Study on Suggested New Role for the Division of Forestry

In June 1973 the Division of Forestry is scheduled to complete its two-year study requested by the 1971 Legislature concerning the improved efficiencies and economies which would occur should the Division of Forestry expand its structural fire protection functions and assume structural fire protection responsibilities of local agencies now operating in state responsibility areas. The total cost of the study is estimated to be \$135,000 financed mostly by a Housing and Urban Development grant.

Safety and Mechanized Equipment

The Division of Forestry is requesting \$200,000 to begin purchase of personal safety equipment for division employees on fire crews and for conservation camp and ecology corps crews. The equipment includes fire resistant jumpsuits and hoods, turnout coats, boots and breathing apparatus. The total cost to equip the crews will amount to approximately \$677,000 which will be financed over a three- or four-year period. The division, under direction of a consultant, is presently studying its material management and supply operation. This study has realized a one-time savings of \$100,000 in 1972-73 and the division expects comparable savings in 1973-74. The division will use these savings to begin purchase of the safety equipment in the current year along with a budget request of \$200,000.

Also, the division is requesting \$33,000 to provide mechanized equipment for the conservation camp crews. There has been a decline in the number of inmate crews available for the Division of Forestry work program. The objective is to equip the crews with chain saws and brush cutters to increase the efficiency of the declining number of crews.

Helitack Report

The Conference Committee on the 1972 Budget Bill requested the department to evaluate the "helitack program" (helicopter-attack) during the 1972 fire season, including cost of the program compared to ground crews, and to report to the Legislature. The department has complied with that request.

In 1972 the Division of Forestry had helicopters and crews assigned at six locations. The total cost of the program is estimated to be about \$500,000. The helicopters are provided under contract by private firms who also provide the pilot. The helitack crew consists of two fire captains, one fire apparatus engineer, and five seasonal firefighters. The major cost of the program is the helicopter rental.

The division made an extensive study of the use of helitack crews during the past fire season and reports that the primary value of helitack is its ability to make a fast initial attack on fires while they are still small. However, helicopters cannot operate at night and can be restricted by poor visibility and by strong winds.

According to the report, the annual cost of one helitack crew including the helicopter rental is \$83,200. The estimated average annual cost of a ground crew with one truck is shown as \$42,600. The report, however, does not point out that the cost for the ground crew includes a one-time cost for the firetruck which may last 10 or more years, while the cost of helicopter rental recurs each year and can vary substantially depending on the severity of the fire season.

In 1972, the fire season ended relatively abruptly and early. The helicopters were used just enough to meet the contractual guarantees made to the owners. If there is a prolonged, severe fire season, however, the cost of the helicopters can be much greater. Therefore, the future costs of helitack crews will be at least as great as, if not more than, is indicated in the division's report.

The budget provides for the same level of service in the helitack program as is provided in the current year.

Contracted Protection

The Division of Forestry contracts with the United States Forest Service for the latter agency to provide fire protection services on private (state responsibility) lands situated within national forest boundaries. The Division of Forestry in turn provides fire protection services for some portions of the national forests. The procedure minimizes duplication. Each year the state pays the U.S. Forest Service the net cost for protecting state lands by the forest service which is not offset by the state cost of protecting national forest land. The budget includes \$1,670,315 for payment to the U.S. Forest Service in 1973-74 compared to \$1,664,158 in the current year.

The statutes authorize the board of supervisors of any county to assume the responsibility for fire protection services on state responsibility lands within the county and require the state to pay the counties for performing the service. Five counties have elected to assume the state responsibility within their respective boundaries. The allocations to the five counties are as follows:

1. Kern.....	\$829,649
2. Los Angeles.....	1,301,185
3. Marin.....	267,874
4. Santa Barbara.....	455,278
5. Ventura.....	477,965
Total.....	<u>\$3,331,951</u>

DEPARTMENT OF CONSERVATION—Continued**Fire Protection, Local Government Contract**

The fire protection, local government contract program includes fire protection services provided by the state in local government responsibility areas. Most of these services are performed on rural, agricultural land but some are in highly urbanized and developed areas. The program has grown rapidly in recent years because the division provides the service in some areas where population and corresponding developments have increased markedly. Contracts now involve fire protection service in 25 counties. The budget includes 71 new positions administratively established in the current year and continued in the budget year plus 21 man-years of overtime. The workload adjustments amount to \$1,047,031 in added costs to local government.

The total reimbursement to the state for providing local fire protection services in 1973-74 is estimated to be \$12,863,699, which consists of \$11,668,251 in direct costs which appear in the program budget and \$1,195,448 in administrative costs the detail of which does not appear in the printed budget.

Conservation Camps and Ecology Corps

The department is budgeting \$5,827,614 for 1973-74 to operate 35 facilities in the conservation camp and ecology corps programs. The estimated amount in the current year is \$6,009,440 and actual costs in 1971-72 were \$5,211,912. These amounts are net support costs after substantial reimbursement from other agencies for training of inmates in conservation centers and for work projects performed by inmates, wards and ecology corpsmen. In the 1973-74 budget, there is a shift of inmate pay allotment of \$218,220 from the Department of Conservation to the Department of Corrections which is responsible for setting the pay levels.

The conservation camps house inmates of the Department of Corrections and wards of the Department of the Youth Authority. The ecology centers house conscientious objectors and regular civilians (freemen).

In the past three years, the emphasis of state policy on probation subsidy has resulted in a reduced number of inmates suitable for assignment to conservation camps. Last year the Conference Committee on the 1972 Budget Bill recommended that the Legislative Analyst study the conservation camp and ecology corps programs including the state's needs for the programs and alternate sources of manpower. In response to that request this office has completed and issued a report dated January 1973 titled "Conservation Camp and Ecology Corps Programs of the Department of Conservation."

The report points out that the Department of Conservation has been largely successful, by means of drastic changes as shown in Table 2, in obtaining alternate sources of manpower for the conservation camps to replace declining inmate population. The department has contracted with county and federal agencies to house county and federal inmates in state camps. Beginning November 1, 1972, the division has operated two 20-man crews of civil narcotics violators from the California Rehabilitation Center at Norco, Riverside County.

Table 2
State Conservation Camps and Ecology Centers

	1969		1972		
	Number	Quota population	Number	Quota population	Actual population December 15, 1972
State adult inmate conservation camps	29	2,380	19	1,200	1,047
State youth ward conservation camps	4	320	5	400	347
County inmate camps	—	—	3	200	178
Federal inmate camps	—	—	2*	120	53
Ecology centers (freeman labor) ..	—	—	6	335	340
Totals	33	2,700	35	2,255	1,965

* Includes Chamberlain Creek as federal inmate camp (60 inmates) effective February 15, 1973.

The department has also recruited conscientious objectors and civilian (freeman) labor for assignment to ecology centers, which are converted conservation camps. The corpsmen receive \$100 per month, room and board, a major medical and life insurance benefit and \$2.80 per hour for overtime on emergency assignments. As of December 1972 there were six facilities, including five former conservation camps, housing ecology corpsmen.

Emergency Needs for Supplemental Manpower

We recommend that the budgeted population quota for inmates, wards and ecology corpsmen be reduced to the existing population of 2,000, which experience shows is adequate to meet the state's emergency needs. A corresponding staff reduction of 28 foreman positions should be made by the deletion of \$346,724 for salaries, wages and staff benefits.

The report finds the needs of the Division of Forestry for supplemental manpower in emergencies to be primarily as a backup force to regular state fire control personnel in firefighting. According to data provided by the Division of Forestry on the use of camp crews during the high fire risk months of 1970, 1971 and 1972, there is a large reservoir of manpower that is rarely fully utilized for emergencies during the high fire risk months. The data are corroborated by the division's 1971 conservation camp report which indicates that during that calendar year the inmates and wards devoted only 7 percent of their time to activities concerned with wildfire suppression. Based on this experience data, 120 crews of a maximum of 15 men each (total 1,800 men) should be adequate for the state's emergency needs because only once was that amount of manpower dispatched in the past three years. In addition, there is a need for camp services manpower. About 200 men statewide should be adequate for this purpose bringing total manpower requirements to 2,000.

At the present time the Division of Forestry is budgeted to support a population of over 2,300 inmates, wards and ecology corpsmen in all camp facilities. As of December 15, 1972, the actual population was 1,965 consisting of 1,625 inmates and wards in conservation camps and 340 corpsmen in ecology centers. The actual population of the conservation camps and ecology centers is about equal to the state's needs but the budgeted staff which supervises the inmates and wards is greater.

An appropriate population allocation for staffing purposes would be the

DEPARTMENT OF CONSERVATION—Continued

present 1,650 inmates and wards in conservation camps and 350 corpsmen in ecology centers. The staffing ratio in conservation camps is one foreman for 10 inmates and in the ecology centers usually one foreman for 15 corpsmen. There are presently 193 authorized firecrew foreman positions in the conservation camps but only 165 are needed based on a population of 1,650. The division is budgeted for 28 more foreman positions than are required. The salaries, wages and staff benefits for the 28 positions amount to \$346,724. That amount should be deleted from the budget. The ecology corps is presently staffed with 30 foreman positions for 350 corpsmen. This allows some flexibility in staffing.

Forest Practices

Chapter 202, Statutes of 1972, authorizes the Board of Forestry, upon a finding of an emergency, to adopt temporary forest practice rules necessary to protect the public interest and to carry out the policy of the state. The rules shall be effective no longer than 180 days. The board has adopted emergency rules which are essentially the same as the forest practice rules in effect prior to the court invalidation. When the Legislature did not adopt a permanent forest practice act in the 1972 session, the board extended the existing emergency rules an additional 120 days. The rules expire April 25, 1973.

There is \$403,748 budgeted for 19.8 man-years of effort to enforce state forest practice regulations in 1973-74, which continues existing levels of service.

Professional Forester Registration

Chapter 800, Statutes of 1972, provides for the licensing and regulation by the State Board of Forestry of persons who practice the forestry profession and establishes the Professional Forester Registration Fund. The law requires that fees be set in an amount to make the program self supporting.

The budget includes the addition of 2.5 positions which were administratively established in the current year to carry out the program. The appropriation of \$88,741 in Item 211 from the Professional Forester Registration Fund provides \$48,182 in the budget year to finance the ongoing cost of the program and \$40,559 to repay a loan from the General Fund for expenses incurred in the current year.

GEOLOGIC HAZARDS AND MINERAL RESOURCES CONSERVATION

The objective of the geologic hazards and mineral resources conservation program is to identify and delineate geologic hazards through geologic investigations and to identify and assist in the use of mineral resources. The program is performed by the Division of Mines and Geology.

Total expenditures in the budget year are estimated to be \$2,137,370 compared to estimated current-year expenditures of \$2,047,620. The budget includes \$63,000 from the General Fund for three additional positions to perform increased workload pertaining to earthquakes and other geologic hazards.

California Institute of Technology Seismograph Network

We recommend that \$57,000 requested to pay one-half the annual operating cost of the California Institute of Technology seismograph network be deleted and that the Division of Mines and Geology be directed to study and report to the Legislature by December 1, 1973, on the seismograph networks operated by the University of California at Berkeley and the California Institute of Technology. The study should determine whether the networks are research or operational facilities and to the extent that they are operational in nature, propose a program for their transfer to the state.

The budget includes \$57,000 to pay one-half the cost of operating the California Institute of Technology seismograph network. The appropriation request is funded as follows:

1. \$34,200 out of Item 206, General Fund, Division of Mines and Geology.
2. \$11,400, Item 212, California Water Fund.
3. \$11,400, Item 213, State Transportation Fund—State Highway Account.

The appropriations from the California Water Fund and the State Transportation Fund are proposed because the Department of Water Resources and Public Works utilize network data. The request for \$57,000 is a recommendation in the "First Report of the Governor's Earthquake Council."

A seismograph records vibrations of the earth's crust. The University of California at Berkeley has a network in the northern part of the state and the California Institute of Technology (Cal Tech), which is a private institution, has a network in the southern part of the state.

The council's report indicates that the public has funded only the University of California's network and concludes therefore that the state should support at least one-half of the routine costs of operating the Cal Tech network.

In California, seismic investigations are very important and therefore the Division of Mines and Geology is gradually developing an operational seismic program. The Division of Mines and Geology, largely at the persistence of the Legislature, now has an active role in seismic investigations and is operating a strong-motion program to measure the large scale, destructive ground motions in earthquakes. The universities have operated seismographs for many years as a data source and as a research tool in seismology. The Department of Water Resources is operating seismographs at its large dams. The question therefore arises whether the seismographs have themselves become operational instruments which the state should operate with the universities concentrating on research.

The budget proposal for state financing of one-half the operating cost of the Cal Tech network would confuse the responsibility for operations and makes a basic decision on operating responsibility advisable.

An additional reason why the funds should not be appropriated at this time is that there is no identified state interest in the appropriation because it is not clear that any additional service or safety is to be provided the public. To clarify the situation the Division of Mines and Geology

DEPARTMENT OF CONSERVATION—Continued

should investigate the seismograph networks of both the University of California and California Institute of Technology to determine what use is made of the networks, whether they are operational or are essentially for university research and what the state's needs may be for data provided by the network.

Special Fault Studies

Chapter 1354, Statutes of 1972, requires the State Geologist to delineate and map special study zones to encompass traces of at least the San Andreas, Calaveras, Hayward and San Jacinto Faults. The purpose of the work is to provide data for cities and counties in establishing zoning and building regulations for these geologically hazardous areas. The statute appropriates \$100,000 to the Department of Conservation from the General Fund to begin the work. Future state and local costs of the program are to be financed by a fee established by the State Mining and Geology Board and levied by local government against each applicant for a building permit within a special study zone. The fee must not exceed one-tenth of 1 percent of the total valuation of the proposed building construction.

OIL, GAS AND GEOTHERMAL PROTECTION

The Oil, Gas and Geothermal Protection program is performed by the Division of Oil and Gas, a special fund agency supported by charges on operators of producing oil, gas and geothermal wells. The revenues are placed in the Petroleum and Gas Fund and the Subsistence Abatement Fund. Budget year expenditures are estimated to be \$1,736,387 compared to \$1,683,107 in the current year.

The division supervises the drilling, operation, maintenance and abandonment of oil, gas and geothermal resources wells throughout the state and the repressuring operations for the abatement of land subsidence in the Wilmington area. The division has 91 authorized positions.

The division is requesting funds for three additional positions which were administratively established in the current year for increased workload in regulation of geothermal operations. The new positions will be utilized for investigations of geothermal resource areas, checking well drilling proposals and for inspections. The budget identifies 1973-74 expenditures of \$61,106 for regulation of geothermal operations. Revenue from geothermal energy fees is estimated to be only \$20,000. Thus, the geothermal work of the division will be financed by \$16,714 from the geothermal resources account while the balance will come from funds derived from assessments on oil and gas production.

In addition the division is requesting \$16,000 to initiate microfilming records of oil and gas wells. In 1971-72 the division budgeted \$33,000 to initiate microfilming but the work was not done and the funds were reverted. The department indicates the work can be done for less money than was budgeted two years ago by renting rather than buying the microfilm equipment.

Land Conservation

The budget format has been revised this year to include a new program, Land Conservation. The program by the Division of Resource Conservation has budgeted expenditures of \$280,235 and includes open-space subvention, local project planning assistance and land use analysis and guidelines. In prior years the somewhat different activities of the division were included as a program element in the Watershed and Fire Protection program.

Chapters 1 and 2, Statutes of 1971, First Extraordinary Session, placed responsibility for administering the open-space subvention program with the Secretary of the Resources Agency. The secretary has in turn delegated responsibility to the Division of Resource Conservation, which reviews the open-space plans of local agencies and certifies applications for subventions. The objective of the subventions is intended to encourage the preservation of prime agricultural and open-space land.

The Budget Act of 1972 appropriated \$13 million for 1972-73 to be allocated by the Resources Secretary to eligible cities, counties and school districts. Chapter 1, Statutes of 1971, appropriated \$15 million for 1973-74, and Chapter 1406, Statutes of 1972 (SB 90), increased the total amount appropriated to \$22 million for 1973-74. The subventions for cities and counties are estimated to be \$8 million in 1972-73 and \$13 million in 1973-74, but reliable figures are not yet available. The subventions are appropriated in local assistance Item 83, which duplicates the appropriation in Chapters 1 and 1406.

The division also provides planning assistance to local agencies for Public Law 566, small watershed projects. The amount of work in this activity, however, has been declining in recent years as the division has been devoting increasing attention to developing information on the impact of specific land uses on the soil mantle and vegetative cover. Last year the division completed a report on the impact of urbanization on foothill and mountainous lands of California and is currently developing a sediment control handbook for county government use in planning. Also, the division is cooperating with the Office of Planning and Research in the preparation of guidelines to be followed by local agencies in open-space planning. Next year, the division intends to do additional work on erosion problems of the state's range lands.

GENERAL SUPPORT

The general support activity includes executive and support services necessary to carry out departmental programs. The department has budgeted \$5,176,920 for this purpose in the budget year compared to \$5,109,326 in the current year. The general support cost includes the expenses of the executive and management services staff in the director's office and the executive and staff services provided in each of the four divisions. The department provides accounting, budgeting and personnel services for the division. Each of the divisions also has management and staff service functions allocated to general support activity.

DEPARTMENT OF CONSERVATION—Continued

Completed Contracts

We recommend that \$77,591 budgeted for continuation of contractual services which have been completed and terminated be deleted.

As part of the effort to improve its communication system, the Division of Forestry contracted with the System Development Corporation in 1969 for consulting services on the division's fire dispatching command and control system. The corporation issued a report in 1970 and was retained through 1972 as a consultant on adjustments to the dispatching system. The contract was completed and terminated in 1972. However, line item detail not printed in the budget erroneously shows \$57,753 to continue the contract with System Development Corporation in 1973-74. The funds should be deleted.

Similarly, the budget includes \$19,838 to continue a contract with the University of California for a study of the economics of fire protection. That contract has also been completed and \$19,838 erroneously budgeted for 1973-74 should be deleted.

**Resources Agency
STATE LANDS DIVISION**

Item 214 from the General
Fund

Budget p. 127 Program p. I-811

Requested 1973-74	\$1,857,600
Estimated 1972-73.....	1,865,144
Actual 1971-72	1,546,581
Requested decrease \$7,544 (0.4 percent)	
Total recommended increase	\$517,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Royalty Oil.* Recommend division offer royalty oil for sale to the extent feasible. 456
2. *Program Increase. Augment \$517,000.* Recommend increase in programs for other lands transactions and extractive development. 457

GENERAL PROGRAM STATEMENT

The State Lands Division provides staff support to the State Lands Commission. The commission is composed of the Lieutenant Governor, the State Controller and the Director of Finance. The commission has the responsibility for the management of state school lands, tide and submerged lands, swamp and overflow land and the beds of navigable rivers. The commission has the authority to sell state school lands, provide for the extraction of minerals and oil and gas from lands in its custody, and administer tidelands trusts granted by the Legislature. It also conducts a pro-

gram to locate the boundaries of tide and submerged lands owned by the state as funds permit, and maintains records showing the location of state-owned land.

The three members of the commission hold full-time offices besides being members of the State Lands Commission. In recognition of the many duties which detract from the time and attention the present commissioners can give to the complex technical problems of the division, the Legislature in 1972 passed AB 609. This measure would have added four public members to the existing three member State Lands Division. Qualifications for the public members would have included ability to appraise resource uses in the light of ecological, conservation and planned development policies of the state. This measure was vetoed by the Governor. We continue to support reconstitution of the commission to increase its efficiency in line with the intent of AB 609.

ANALYSIS AND RECOMMENDATIONS

The Governor's Budget proposes a total expenditure of \$3,049,028 for the support of the State Lands Division in 1973-74, which is a decrease of \$55,243 from the current year. The General Fund appropriation of \$1,857,600 represents a decrease of \$7,544 over the current year. In the current year an appropriation of \$55,000 was made to the division from the California Environmental Protection Program Fund. This money has been used by the division to comply with Chapter 1555, Statutes of 1970, which requires that an inventory of all lands under the commission's jurisdiction be undertaken and that those lands having unique environmental, scenic, historic, natural or aesthetic values of statewide interest be identified. Work on this activity has thus far been of a limited nature and the division's ability to continue this work and other land management activities under the present budget is questionable. A more detailed discussion of this problem is presented later in this Analysis.

Division Programs

The division's programs are organized into two major elements, these are extractive development (state leases and Long Beach operations), and other lands transactions. The funding for these program elements for the past, current, and budget years is shown in Table 1.

Table 1
Funding of Division Programs

	1971-72	1972-73	1973-74
Extractive development			
State leases.....	\$746,709	\$855,206	\$808,055
Long Beach operations.....	990,554	1,079,448	1,075,254
Other lands transactions	908,471	1,169,617	1,165,719
Totals.....	\$2,645,734	\$3,104,271	\$3,049,028

The extractive development (state leases) element is made up of three primary activities. They are: oil and gas leasing and development, geothermal leasing and development, and mineral leasing and development. Long Beach operations is the largest extractive development program of the division. The Long Beach operations unit reviews the economics of

STATE LANDS DIVISION—Continued

Long Beach oil and gas development and production operations in order to maximize revenue to the state. The division maintains surveillance of all cost and revenue elements of Long Beach tidelands operations. This division activity is funded as a reimbursement from Long Beach oil revenues.

The other lands transaction element includes ownership determination, nonextractive leasing, and the inventory and general management of state lands.

Potential Increased Revenue From Sale of State Royalty Oil

We recommend that the State Lands Division offer where feasible its royalty oil for sale at competitive bid, in order to assure that the state is receiving maximum revenues from its oil sales.

The State Lands Division now has numerous oil and gas extraction leases on state lands. Royalty income from such oil and gas extraction leases will amount to about \$70 million in 1973-74. This revenue is derived from royalty payments to the state from the individual leases. In addition to the state's right to receive such royalty payments, the state under present law may take oil and gas in lieu of royalty payments. The sale of oil and gas received in lieu of royalty payments must under law be made to the highest responsible bidder after competitive bidding. The State Lands Division indicates that it has not taken royalty oil in kind since 1935 except for a recent sale in 1971.

The advantage to the state of taking royalty in oil rather than in cash lies in the pricing structure under which the price for oil is determined. Prices of crude oil are now set in each producing field by the purchasing company (generally companies operating large oil refineries). These field prices are called "posted" prices. With respect to the oil which these integrated oil companies produce for themselves, the posted price is a nominal figure, i.e., it is merely an accounting entry in intracompany records. If the price paid is high, more income accrues to the producing segment of the company; if the price is low, more profit would accrue at the refinery level.

A recent sale of Long Beach oil by the state in November 1971 resulted in competitive bids to pay from 16 to 21 cents per barrel over the posted price. The Long Beach sale indicates that the sale of royalty oil by the state at competitive bid, rather than a posted price, may produce substantial additional royalty revenue to the state. This conclusion is supported by the fact that the federal government recently was able to sell 100 percent of its royalty oil from offshore federal lands in California to a number of refineries in the state. Under federal law this sale is to be made at the posted price plus one-half of 1 percent. The federal government is entitled to roughly 11,000 barrels per day of royalty oil.

Table 2 shows the oil which is available to the State of California as royalty oil from the Huntington Beach and Santa Barbara oilfields. This oil for technical reasons of location, delivery facilities available, long-term agreements, etc., is not all available for sale at competitive bid. It is possible, however, that a substantial portion may be so available. As the table

indicates, the Huntington Beach area produces about two-thirds of the royalty oil available from these two areas.

Table 2
Royalty Oil
(Barrels per year)

	1971	1972 (est.)	1973 (est.)
Huntington Beach			
Available royalty oil	2,447,503	2,958,967	3,638,076
Posted price	\$2.72	\$2.76	\$2.77
Santa Barbara			
Available royalty oil	930,969	867,721	773,552
Posted price	\$3.14	\$3.02	\$3.02
Total royalty oil	3,378,472	3,826,688	4,411,628

Based on the state's experience with the sale of royalty oil from Long Beach, it is probable that revenues to the state in excess of those now derived at the posted price would result from an offer to sell royalty oil. The amount of increased revenue would obviously depend on the bid price and may be restrained by the recent substantial federal offshore sales of royalty oil in the state. Regardless of these uncertainties, the experience at Long Beach in 1971 and the recent sale by the federal government both indicate very substantial unsatisfied demand for oil in California. The sale of royalty oil could also provide a good test of the reasonableness of the posted price for crude oil in the state.

Need for Additional Funds

We recommend an augmentation of \$517,000 for increased program activities.

We pointed out in our Analysis of the 1972 Budget Bill that the State Lands Division budget appeared to be underfunded, both in extractive development (state leases) and in the other lands transactions programs. In the area of extractive development we recommended a \$106,000 augmentation last year in order to provide staff to work in a number of priority areas having both revenue production and environmental protection aspects. The Legislature approved this augmentation, but it was deleted by the Governor.

In the other lands transaction program we pointed out the substantial decreases in program funding which had occurred in recent years, the increased workload, and therefore the need for additional funding. Priority areas which lacked adequate funding included San Francisco Bay litigation, where the state faces a very substantial loss involving in excess of 10,000 acres in the bay. The action has the potential to block public access in the bay for about 27 miles as well as potential state title to thousands of acres of tidelands. Chapter 981, Statutes of 1972 provided the division with \$166,000 to defend the state's interest in this case. The Attorney General's office likewise received \$134,000 in the Budget Act of 1972 for its necessary expenses in this suit. The State Lands Division budget for 1973-74 contains \$166,000 for continued efforts on this suit.

We specified a number of priority needs in the other lands transaction program in our 1972-73 Analysis. The priorities included area boundary

STATE LANDS DIVISION—Continued

determination, granted lands review, land management, and the survey of environmentally unique state lands. In response, the Legislature last year directed the State Lands Division to prepare and submit by November 15, 1972, a detailed proposal for augmentation of the division's budget for land management activities. The recommendations presented below largely derive from the report submitted to the Legislature pursuant to the legislative directive of last year.

Area Boundary Determination. There are many areas in the state where lands of substantial monetary and environmental value are being encroached on by trespassers. This land may be lost if the state takes no positive action. The commission has never had the manpower to clear title to boundaries of state lands on a sound program basis, although it has over four million acres of tide and submerged lands under its exclusive jurisdiction. The available manpower has gone primarily toward defending the state in title actions brought against it. The recent very substantial increased value of wetlands, as well as the recent Mansell decision of the State Supreme Court, which clearly delineates state responsibility for land under its jurisdiction, makes it essential that the state actively attempt to determine the boundaries of its lands and reduce the number of trespasses on state lands. The division has proposed an area projects program in ownership determination to be comprised of two teams, and trespass surveillance, for an increase of 15 positions. Priority areas to be studied include the San Francisco Bay and delta area, the Colorado River, navigable lakes, and southern California estuaries. The cost for 1973-74 is \$160,000.

Litigation Support. Due to the growing amount of litigation filed against the division there is an increased need for boundary and title research. One staff counsel at a cost of \$17,000 would provide sufficient staff support to handle current workload. The estimated cost for 1973-74 is \$17,000.

State Nonextractive Leasing. In the area of state leasing the division suffers from a severe shortage of manpower. The existing staff of the division is unable to comply with statutory requirements which provide that the division must approve or reject proposed applications for leases within 270 days. The only applications that are now being readily processed are recreational permits which are exempted from the environmental impact report requirement. Where environmental impact reports are required, the average processing time now exceeds 15 months. The division estimates a need for six additional professional and two clerical positions to provide for operation of the leasing activity within the time requirement set by law. The estimated cost for 1973-74 is \$115,000.

Granted Lands Administration. In the past 12 years the Legislature has enacted over 85 grants of state lands to local jurisdictions. The State Lands Division has the responsibility to insure that such lands are properly surveyed and used and that any local revenues are properly administered. No staff has been specifically authorized in the current or past budgets for the division to review the stewardship of trustees of state lands. A minimum surveillance program in this area would require approximately three staff

positions and cost approximately \$65,000. SB 1464 of the 1972 session of the Legislature was introduced as an attempt to initiate such a granted lands administration program by the division with a financing charge levied against grantees to fund the program. This bill did not pass the Legislature. It appears appropriate for the grantee to finance such activities by an appropriate charge. However, since this requires legislation, we are proposing at this time that this activity be initially funded by the General Fund and that the division work to have legislation introduced to provide for future repayment of such expenditures by grantees. The estimated cost for 1973-74 is \$65,000.

Extractive Development. We have pointed out in the past that in several important extractive development areas the state is without adequate staff capacity. The division indicates a need for nine additional positions with associated expenses in the extractive development area. Total cost of these positions would be \$160,000 in the budget year. These positions would be used in the area of lease applications for geothermal energy development, general mineral lease applications, surveillance of state property to insure that environmental controls are being maintained and trespasses are not occurring, and oil and gas lease maintenance and processing. Seven of the above positions would be allocable to oil and gas leasing at a cost of \$106,000. One position would be allocated for geothermal leasing and another position would be for mineral leasing activity. Revenue estimated to be derived from the above positions amount to approximately \$1,500,000. The estimated cost for 1973-74 is \$160,000.

The total estimated cost for the augmentations is \$517,000. The justification for the above augmentation as presented by the division appears reasonable. Although this appears to be a substantial augmentation for an agency of the size of the State Lands Division, the revenue production capability of this augmentation alone (which is over three times the requested augmentation) justifies the amount.

Resources Agency

DEPARTMENT OF FISH AND GAME

Item 215 from the Fish and Game Preservation Fund

Budget p. 130 Program p. I-823.

Requested 1973-74	\$22,188,029
Estimated 1972-73.....	19,477,858
Actual 1971-72	17,661,969
Requested increase \$2,710,171 (13.9 percent)	
Increase to improve level of service \$1,406,000	
Total recommended reduction	\$5,000

DEPARTMENT OF FISH AND GAME—Continued

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

- | | |
|--|-----|
| 1. <i>Target Range. Reduce \$5,000.</i> Recommend deletion consistent with legislative disapproval of target ranges last year. | 464 |
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GENERAL PROGRAM STATEMENT

For 1973-74, the Department of Fish and Game requests support appropriations as follows:

1. Item 215, Fish and Game Preservation Fund	\$22,188,029
2. Item 217, Fish and Game Preservation Fund, Duck Stamp Account	120,000
3. Item 218, Fish and Game Preservation Fund, Training Account	79,900
Total	\$22,387,929

The Department of Fish and Game is responsible for administering programs and enforcing laws pertaining to the fish and wildlife resources of the state.

The State Constitution (Article 4, Section 20) establishes the Fish and Game Commission of five members appointed by the Governor. The commission establishes policies to guide the department in its activities and regulates the taking of fish and game under delegation of legislative authority pursuant to the Constitution. In general, the Legislature has granted authority to the commission to regulate the sport taking of fish and game and has reserved for itself the authority to regulate commercial taking of fish and game.

The department is headquartered in Sacramento and has approximately 1,300 employees located throughout the state. Field operations are supervised from regional offices in Redding, Sacramento, Yountville (Napa County), Fresno and Long Beach.

Programs and Objectives

The program objectives of the Department of Fish and Game are to:

1. Maintain all species of fish and wildlife.
2. Provide for diversified recreational use of fish and wildlife.
3. Provide for an economic contribution of fish and wildlife.
4. Provide for scientific and educational use of fish and wildlife.

Funding Sources

Table 1 shows the funding sources for the department's support activities for a five-year period. The department is a special fund agency financed from the Fish and Game Preservation Fund. The fund secures its revenues from the sale of hunting and fishing licenses and stamps, court fines and commercial fish taxes, plus grants of federal funds and reimbursements received from other government agencies. About 21 percent of the support programs are financed by federal funds or reimbursements from other agencies of government such as the Department of Water Resources. The department estimates it will spend \$28,596,919 from all sources for support programs in 1973-74.

The Duck Stamp Account was created by Chapter 1582, Statutes of 1970,

which also requires any person who hunts for ducks and geese to purchase a state duck stamp for a fee of \$1.

Table 1
Department of Fish and Game—Support Expenditures

<i>Source of Funding</i>	1969-70	1970-71	1971-72	1972-73 ¹	1973-74 ¹
Fish and Game Preservation Fund					
Department support	\$15,738,483	\$17,206,511	\$17,661,969 ²	\$19,477,858 ²	\$22,188,029 ²
Marine Research Committee Account	56,995	103,821	200,610	185,500	157,350
Duck Stamp Account	—	—	—	—	120,000
Training Account	—	—	—	—	79,900
Federal funds	2,237,226	2,029,564	2,757,347	3,405,125	3,311,675
Totals as shown in Governor's Budget	\$18,032,704	\$19,339,896	\$20,619,926	\$23,068,483	\$25,856,754
Expenditures funded through reimbursements					
Federal funds	951,805	997,857	877,628	1,105,839	1,116,748
Other	1,173,233	1,293,954	1,649,742	1,692,515	1,623,217
Total of all expenditures	\$20,157,742	\$21,631,707	\$23,147,296	\$25,866,837	\$28,596,919

¹ Estimated.

² Includes minor capital outlay.

The Training Account was established by Chapter 1333, Statutes of 1971, which levies a penalty assessment of \$5 for every \$20 imposed and collected by the court as a fine for any violation of the Fish and Game Code.

The federal funds totaling \$3,311,675 are used in cooperative programs and are based on four federal acts with federal funding sources and expenditures from each funding source as follows:

1. Federal Aid in Wildlife Restoration Act (Public Law 75-415), known as the Pittman-Robertson Act. Excise tax on sporting arms and ammunition and pistols and revolvers \$2,033,400.
2. Federal Aid in Fish Restoration Act (Public Law 81-681), known as the Dingell-Johnson Act. Excise tax on sport fishing equipment \$692,625.
3. Commercial Fisheries Research and Development Act (Public Law 88-309), known as the Bartlett Act. Federal General Fund \$229,500.
4. Anadromous Fisheries Act (Public Law 89-304). Federal General Fund \$356,150.

Fund Surplus

For 1973-74 the budgeted support expenditures for the department are within the estimated revenues to the Fish and Game Preservation Fund. On June 30, 1972, the accumulated surplus in the Fish and Game Preservation Fund was \$5,607,719. The fund surplus at the end of the budget year is estimated to be \$7,203,514.

In addition to the Fish and Game Preservation Fund surplus of \$7,203,514 the department will also have available at the end of the 1973-74 fiscal year \$2,310,758 in unexpended funds under the federal programs. Thus, from all sources, the department will have at the end of the budget year about \$9,514,272 as surplus or reserve for future needs.

DEPARTMENT OF FISH AND GAME—Continued

ANALYSIS AND RECOMMENDATIONS

The total support request for the Department of Fish and Game consisting of Items 215, 217 and 218 is \$22,387,929. That amount is an increase of \$2,910,071 or 14.9 percent over estimated current year expenditures of \$19,477,858. There are increases in all programs. Most of the increases are for workload and for expanded programs contemplated by the department and used as part of the justification for its license fee increase two years ago. With the exception of future increases to staff additional hatchery facilities being constructed with Fish and Wildlife Enhancement Fund money and to investigate possible alternatives for expanded public hunting programs, the department has included in the current year and in the 1973-74 budgets most of the additional services contemplated by the department when it requested the license fee increase.

For all programs financed from all sources of funds, the budget proposes to establish 195 new positions and delete 74 other positions for a net increase of 121 positions.

The budget includes major program increases as follows:

Enforcement of Laws and Regulations, \$270,000.

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|---|-----------|
| 1. Law enforcement: 12 additional warden positions, including a warden pilot and purchase of an aircraft to be located at Redding for patrol. Two additional laboratory positions to provide scientific evidence in court. Target range planning..... | \$230,000 |
| 2. Licensing: Two additional positions because of an increased number of permits and licenses..... | 20,000 |
| 3. Conservation education: Additional public information activities..... | 20,000 |

Wildlife, \$329,000

- | | |
|--|---------|
| 1. Wildlife management: Additional temporary help for the department's wildlife areas and additional permanent positions for management of the Oroville and Spenceville Wildlife Areas | 177,000 |
| 2. Public hunting: Added position to investigate and develop programs for increased public hunting opportunities on private land..... | 16,000 |
| 3. Waterfowl habitat projects in Canada | 120,000 |
| 4. Added workload in nongame management | 16,000 |

Inland Fisheries, \$302,000.

- | | |
|---|---------|
| 1. Additional staffing for expanded hatchery facilities..... | 55,000 |
| 2. Additional positions for reservoir management and to develop and implement fish management plans | 175,000 |
| 3. Operation and maintenance of additional fish screens .. | 60,000 |
| 4. Pilot striped bass hatchery | 12,000 |

Anadromous fisheries, \$253,000.

- | | |
|--|--------|
| 1. American shad study to investigate the decline of the fishery and recommend corrective action | 99,000 |
| 2. Salmon migration study in the delta to evaluate the ef- | |

fect of the peripheral canal on the resource	50,000
3. Trinity River study to determine the cause for the decline of the steelhead fishery and develop corrective measures to restore the steelhead run	104,000
Marine resources, \$127,000.	
1. Marine sport fish: Data collection of sport fishery effort in coastal waters for management of marine sport fisheries.....	100,000
2. Develop systems and methods for handling ocean catch data	27,000
Environmental services, \$135,000.	
1. Increased workload reviewing environmental impact reports submitted by developers and for additional workload contemplated from the new Coastal Zone Conservation Commission.....	85,000
2. Construction of marine bioassay laboratory near Monterey.....	50,000
Administration, \$119,900.	
1. Additional workload in fiscal, personnel and engineering services.....	40,000
2. Training officer and training program	79,900
There are also increases in the budget not related to workload or expanded programs. These increases totaling \$1,254,000 are as follows:	
1. Minor capital outlay for hatchery facilities and improvements of residences	257,000
2. Transfer funding of 42 unit managers from federal cooperative financing to full department support	450,000
3. Uniform allowance	85,000
4. Radio conversion	44,000
5. Merit salary and price increase	418,000

Canadian Waterfowl Habitat Projects

Chapter 1582, Statutes of 1970, requires any person who hunts for ducks and geese to purchase a state duck stamp for a fee of \$1. The funds derived are to be allocated by the Fish and Game Commission primarily for preservation of waterfowl habitat in Canada. The law states that at least 80 percent of the funds must be spent in Canada to preserve waterfowl habitat and the balance may be spent in California or other parts of the Pacific Flyway. The minor capital outlay budget (Item 217) includes two projects totaling \$120,000 for 1973-74 as follows:

1. Six-Mile Slough, British Columbia, Canada. Construction of drainage control facilities. \$56,000. The project will provide summer nesting sites for migratory waterfowl.

2. Utikuma Lake Dam, Alberta, Canada. Construction of outlet control facility. \$64,000. The project will replace an existing deteriorated wooden dam to assure preservation of the lake.

Ducks Unlimited, Inc., will be the cooperating organization in the projects and will expend the funds in Canada.

DEPARTMENT OF FISH AND GAME—Continued**Training Program**

Chapter 1333, Statutes of 1971, levies a penalty assessment of \$5 for every \$20 imposed and collected by the courts as fine for Fish and Game Code violations. The court collects and transmits the total amount of the assessment to the state. The money must be deposited in the Fish and Game Preservation Fund in a special account to be used for the education or training of Department of Fish and Game employees. In 1971-72, the first year the law was in effect, \$24,266 was deposited in the training account. Revenues are estimated to be \$125,000 in the current and budget years.

The budget proposes the expenditure of \$79,900 (Item 218) from the Training Account to establish a training officer position for the department and to finance the first year of the training and education programs. The department's outservice training program in the budget year includes \$32,000 for Peace Officers Standards Training for 60 law enforcement personnel and \$15,000 for scientific and technical training for an estimated 44 employees.

Public Outdoor Target Ranges

We recommend that \$5,000 budgeted for planning of target ranges be deleted.

In 1970, the Congress amended the Wildlife Restoration Act to provide that an amount equal to all revenues from the excise tax on pistols and revolvers be paid into the Federal Aid to Wildlife Restoration Fund in the Treasury rather than into the federal General Fund as had been the case. The amendments also authorize (but do not require) the states to use one-half of their share of the added federal funds to pay up to 75 percent of the cost of a hunter safety program and the construction, operation and maintenance of public outdoor target ranges. The department has federal funds budgeted in the current year and in 1973-74 to expand its hunter safety program. In this budget the department requests \$5,000 for preliminary plans for target ranges.

Although the 1972-73 budget proposed no expenditures for target ranges, last year we stated that the Department of Fish and Game should not get into constructing and operating target ranges without a compelling justification. The department, in our view, has higher priority needs for wildlife management programs and habitat improvement and preservation than for public outdoor target ranges.

Accordingly, we recommended and the conference committee adopted in its supplementary report, Item 196, that "If the Department of Fish and Game studies the need for public outdoor target ranges, it should consider such priority in relation to the needs for wildlife preservation and management programs." Also, the conference committee went further than our recommendation by adding language to Item 196 as follows: "Provided further, that none of the funds, state or federal, appropriated in this item shall be used for the purpose of constructing or operating any target ranges for sidearms."

The department responded to the conference committee recommendation in a September 5, 1972, report titled "Hunter Safety and Outdoor

Target Range Program Policy and Procedure.” The report contains little or no information on the priority of target ranges in relation to the needs for wildlife preservation and management programs. We requested more specific information from the department concerning the priority of the target range program. The department responded in a second report indicating the target ranges are of relatively low priority, involve relatively small amounts of money, use federal funds derived from an excise tax on pistols and revolvers, and that persons who use target ranges are providing the funds and expect that additional target ranges will be provided. To satisfy those persons, the department feels that a limited target-range program is justified.

The department would provide funds for one target range every three or four years. Each target range is estimated to cost \$10,000 for plans and \$120,000 for construction. The department’s guidelines for target ranges include the following:

1. Highest priority for target ranges located in or near metropolitan areas.
2. Operation and maintenance by a local public agency or organization is desired.
3. Big-game rifles must be permitted.
4. State-approved hunter safety classes must have free use. Fees may be charged other users.
5. Range operator must save the state harmless from liability.

The department requests \$5,000 in 1973-74 to prepare preliminary plans for target ranges. In view of the Legislature’s restrictive language in last year’s Budget Bill, we recommend that the \$5,000 be deleted.

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

Item 216 from the Fish and
Game Preservation Fund

Budget p. 130 Program p. I-833

Requested 1973-74	\$157,350
Estimated 1972-73.....	185,500
Actual 1971-72	200,610
Requested decrease \$28,150 (15.2 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Marine Research Committee consists of nine members appointed by the Governor. The law requires that most of the members represent the commercial fishing industry. Support for the committee comes from a privilege tax of \$1 per ton of sardines, Pacific and jack mackerel, squid, herring and anchovies taken by commercial fishermen. In effect, the industry taxes itself under government auspices to conduct programs desired by the industry.

MARINE RESEARCH COMMITTEE—Continued

The purpose of the committee, as specified in Section 729 of the Fish and Game Code, is to finance “. . . research in the development of commercial fisheries of the Pacific Ocean and of marine products. . . .” The committee enters into contracts for research services with such agencies as the National Marine Fisheries Service, Scripps Institution of Oceanography, California Academy of Sciences, Hopkins Marine Station and the Department of Fish and Game.

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

The committee requests an appropriation of \$157,350 for 1973-74, a decrease of \$28,150 from estimated expenditures in the current year. The reason for the decrease is to place expenditures in line with revenue, which is estimated to be \$160,100 in 1973-74. In the last two years the committee has budgeted expenditures which were more than revenues and required the use of reserve funds. The reserves are now almost depleted. The operating reserve on June 30, 1972, was \$57,430 and the reserve at the end of the budget year is estimated to be \$19,780.

The 1973-74 budget includes study allocations as follows:

1. Department of Fish and Game, \$20,000 for continuation of the jack mackerel study.
2. Scripps Institution of Oceanography, \$10,000 for atlases.
3. Institute of Marine Resources, \$50,000 for water quality studies concerning pelagic fisheries.
4. National Marine Fisheries Service, \$18,000 for biomass estimates.

Resources Agency**DEPARTMENT OF FISH AND GAME**

Items 217 and 218 from the Fish
and Game Preservation Fund

Budget p. 130 Program p. I-823

Requested 1973-74	\$199,900
Estimated 1972-73.....	—
Requested increase \$199,900	
Increase to improve level of service \$199,900	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

These two Budget Bill items appropriate funds for support of the Department of Fish and Game from the Fish and Game Preservation Fund as follows:

- Item 217, \$120,000, Duck Stamp Account.
Item 218, \$79,900, Training Account.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The discussion of these appropriations is included in the analysis of Item 215, on Analysis pages 463 and 464.

**Department of Fish and Game
WILDLIFE CONSERVATION BOARD**

Item 219 from the Wildlife Restoration Fund

Budget p. 133 Program p. I-855

Requested 1973-74	\$148,510
Estimated 1972-73	128,813
Actual 1971-72	121,860
Requested increase \$19,697 (15.3 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Wildlife Conservation Board, established in 1947, consists of the President of the Fish and Game Commission, the Director of the Department of Fish and Game, and the Director of Finance. Three Members of the Assembly and three Members of the Senate act as an advisory group. The board has a staff of six. The board's function is to acquire areas to sustain wildlife, provide recreation and furnish public access to lands or waters for fishing, hunting and shooting.

As authorized in Section 19632 of the Business and Professions Code, the board's program is supported by the annual diversion of \$750,000 of horse-race license revenues to the Wildlife Restoration Fund. Without this diversion, the money would go to the General Fund. Projects authorized for acquisition and construction by the board are not subject to Budget Bill appropriation. This item appropriates funds only for the support of the board staff from the Wildlife Restoration Fund.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Budget year expenditures for the board's staff are estimated to be \$148,510 compared to \$128,813 in the current year. The board requests a new position of assistant land agent to provide assistance in land acquisition programs of the board and the department. In the current and budget years, the Environmental Protection program, financed by personalized license plate revenue, includes acquisition of ecological reserves for wildlife habitat. The Director of the Department of Fish and Game has assigned the department's land acquisition functions pertaining to ecological reserves to the board's staff.

WILDLIFE CONSERVATION BOARD—Continued**Fund Status**

The Wildlife Restoration Fund derives revenue from the continuing appropriation of \$750,000 from horserace license fees. By nature, land acquisition and construction projects take time to complete. Although the board regularly allocates its money to projects, there is a substantial balance of continuing appropriations in the Wildlife Restoration Fund. As of June 30, 1972, the balance was \$2,303,488 and is estimated to be \$2,287,359 at the end of the budget year.

The continuing fund balance enables the board to realize substantial income from surplus money investments. The income usually exceeds support costs of the board's staff. In 1971-72 there was income of \$136,642 and the support cost of the board's staff was \$121,860.

Resources Agency**DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT**

Item 220 from the General
Fund and Item 221 from the
Harbors and Watercraft Re-
volving Fund.

Budget p. 135 Program p. I-862

Requested 1973-74	\$1,356,616
Estimated 1972-73.....	1,514,874
Actual 1971-72	1,090,742
Requested decrease \$158,258 (10.4 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The two items discussed in this analysis would appropriate funds for the support of the Department of Navigation and Ocean Development.

1. Item 220, \$138,240, General Fund.
2. Item 221, \$1,218,376, Harbors and Watercraft Revolving Fund.

The program objectives of the department are to:

1. Develop and improve the waterways and boating facilities in the state.
2. Promote the safety of persons and property in the operation of boating vessels on state waters.
3. Protect the public interest through regulation of yacht and shipbrokers.
4. Conduct a beach erosion control program in cooperation with federal and local agencies.
5. Establish state priorities in cooperation with the federal government for investigations and projects related to waterborne transportation.

The Navigation and Ocean Development Commission, consisting of seven members, serves in an advisory capacity to the department.

Statutory Authority

The statutory authority for most of the department's programs is included in Divisions 1 and 3 of the Harbors and Navigation Code. The Governor's Reorganization Plan No. 2 of 1969 indicated the primary emphasis of the Department of Navigation and Ocean Development would be shifted to ocean and coastline oriented activities. However, most of the programs still remain oriented toward recreation boating. In addition, with the approval of Proposition 20 by the voters in November, all coastal zone planning activities formerly claimed by the department are in the Coastal Zone Conservation Commission. The department considers the Governor's message for Reorganization Plan No. 2 as the basis for its recent planning efforts in waterborne transportation.

Sources of Funding

The department's programs are funded by the annual transfer of approximately \$6 million from the Motor Vehicle Fuel Fund to the Harbors and Watercraft Revolving Fund, by revenues from boat registration fees, by the General Fund for specified activities, by the Recreation and Fish and Wildlife Enhancement Fund for the development of boating facilities at units of the State Water Project and by federal funds for the state boating safety program.

The money from the Motor Vehicle Fuel Fund is based on the fuel taxes paid by boaters. The revenue from boat registration fees was \$1,489,004 in 1971-72 and is estimated to be \$1,600,000 in 1972-73 and \$1,620,000 in 1973-74. The General Fund provides support for the Beach Erosion Control Program and the Marine Transport Terminal and Navigation Plan. The department has received federal allocations of \$143,000 in the current year and \$202,000 for 1973-74 for the state boating safety program.

On June 30, 1972, the accumulated surplus in the Harbors and Watercraft Revolving Fund was \$1,933,001. The surplus is estimated to be \$34,439 at the end of the budget year.

Budget Changes

The decrease in the department's support appropriation request is due largely to changes in minor capital outlay which the budget format now includes within the support appropriation. For 1973-74 the department is requesting \$70,000 for minor capital outlay which is \$180,000 less than estimated expenditures of \$250,000 in the current year. Also, there is a decrease of \$60,000 in the department's request for consultant and professional services. General management for the department increases by \$24,000 to begin financial audits of the local assistance programs including small craft harbor loans and launching facility and boating law enforcement grants.

Department Programs

The department's programs in the two support items covered by this analysis are as follows: boating facilities, boating safety and regulation, broker and for-hire operator licensing, beach erosion control, marine transport terminal and navigation plan, and general management. The local assistance portion of these programs is analyzed in separate items

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT—Continued

following the support analysis. The minor capital outlay appropriation from the Recreation and Fish and Wildlife Enhancement Fund is in a separate section of the Budget Bill devoted to that bond program.

ANALYSIS AND RECOMMENDATION

We recommend approval.

Boating Facilities

The objective of the boating facilities program is to develop boating facilities as needed throughout the state. The department accomplishes this objective largely through loans and grants to public agencies for construction of small craft harbors and facilities and through its capital outlay responsibilities to plan, design and construct boating facilities for the state park system. The department contracts with the Office of Architecture and Construction to design and construct projects.

Program support expenditures are budgeted at \$678,520 compared to estimated expenditures of \$637,664 in the current year.

The output for new work (exclusive of carryover projects), support costs and man-years in the boating facilities program are as follows:

1. 13 launching facilities (projects) totaling \$2,135,000; support costs of \$219,963; 7 man-years.
2. 8 harbor development loans totaling \$6,150,000; support costs of \$302,255; 10 man-years.
3. 7 major and 5 minor capital outlay projects totaling \$2,315,500; support costs of \$130,586; 4 man-years.

Minor capital outlay expenditures for boating facilities totaling \$118,000 (includes projects funded by Recreation and Fish and Wildlife Enhancement Fund) are for boat sewage pumpout facilities at Brannan Island and Lake Oroville State Recreation Areas, parking area paving at a Folsom Lake State Recreation Area launching facility, and completion of the sanitary facilities, planting, and irrigation for the Lake Perris State Recreation Area launching facility authorized in the 1972 Budget Act.

Boating Safety and Regulation

The objectives of the boating safety and regulation program are to investigate and determine the causes of boating accidents and to implement remedies, to obtain uniformity in boating ordinances and their enforcement and to achieve a uniform and equitable solution to the problem of waste discharges from vessels. Support costs from the Harbors and Watercraft Revolving Fund are budgeted for \$590,297 in 1973-74, compared to \$548,972 in the current year.

The department has budgeted \$700,000 in local assistance for allocations to counties for the enforcement of boating laws.

In minor capital outlay, \$90,000 is budgeted to purchase and install buoys for units of the state park system. Also, the budget includes a one time expenditure of \$40,000 to install a sneaker wave alarm system at Tomales Bay.

Federal Boat Safety Act of 1971

Public Law 92-75, the Federal Boat Safety Act of 1971, authorizes Congress to appropriate up to \$7,500,000 for each of five fiscal years beginning with 1971-72 for state boating safety programs. The department has received federal allocations of \$143,000 in the current year and \$202,000 in 1973-74. The federal funds are not subject to state legislative control but are included in the expenditure totals for the Governor's Budget.

The department is using the federal funds to augment the state's subventions to counties for law enforcement and to assist some counties that are ineligible for assistance under the state program. Also, the department has purchased a patrol craft for the department to instruct local personnel in law enforcement and boating safety matters and is using some of the funds to prepare boating safety films and literature and to produce radio and TV spot announcements.

The department needs to develop guidelines and objectives for expenditure of the federal funds to permit measurement of expenditure results.

Marine Transport Terminal and Navigation Plan

The department requests \$30,556 from the General Fund for the second year of the marine transport terminal and navigation plan. According to the department, the state's navigable waterways and transport facilities have been developed on an ad hoc basis by federal and nonstate interests. There is a need to establish priorities for these developments on a statewide basis.

In the current year the department has prepared a preliminary draft of the marine transport terminal and navigation plan as an element of the state's transportation plan. The significant changes occurring and proposed in marine transport, such as super tankers and their required port facilities, indicate that a statewide position in these matters is desirable.

General Management

General management provides executive direction and administrative services of accounting, budgeting and personnel. There is \$251,969 budgeted for the function in 1973-74.

The department has an increasing amount of outstanding loans and grants for public agencies and audits of the expenditures are needed. The department requests funds for a financial examiner position to begin the task.

Department of Navigation and Ocean Development
BEACH EROSION CONTROL

Item 222 from the General
 Fund

Budget p. L-24 Program p. I-867

Requested 1973-74	\$159,000
Estimated 1972-73	141,200
Actual 1971-72	52,800
Requested increase \$17,800 (12.6 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Beach Erosion Control Program in California is largely a federal program, executed by the U.S. Army Corps of Engineers, to control erosion and replenish beaches along the shoreline. Project costs are generally financed on the basis of 50 percent by the federal government and 25 percent each by the state and the local agency involved.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

One project is budgeted next fiscal year for Las Tunas State Beach, located midway between Santa Monica and Malibu in Los Angeles County. The project involves the placement of sand and earth and construction of two groins to provide a beach approximately 1,500 feet in length and 250 feet deep. The estimated construction cost is \$600,000, with the Corps of Engineers funding \$282,000, Los Angeles County \$159,000, and the State of California Department of Navigation and Ocean Development \$159,000. This item finances the state's share of the cooperative funding.

The project also involves some land acquisition to complete a parking area as part of the recreational improvement. The purchase of one beach lot approximately 50 feet wide and 125 feet deep is required with acquisition costs estimated to be \$60,000. The land costs are to be shared equally by the state and county. We understand the department will request an augmentation of \$30,000 for this item to complete the project.

**Department of Navigation and Ocean Development
LOANS FOR PLANNING AND HARBOR DEVELOPMENT**

Item 223 from the Harbors and
Watercraft Revolving Fund

Budget p. L-23 Program p. I-862

Requested 1973-74	\$6,250,000
Appropriated for 1972-73	2,905,000
Appropriated for 1971-72	5,400,000
Requested increase \$3,345,000 (115.1 percent)	
Total recommended reduction	\$550,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Coyote Point Marina (San Mateo County). Reduce \$550,000.* 474
Recommend deletion because scope and total project cost not determined and environmental impact report not submitted.

GENERAL PROGRAM STATEMENT

The Department of Navigation and Ocean Development is responsible for developing boating facilities and small craft harbors throughout the state. The department meets this responsibility through a series of loan and grant programs to public agencies and through capital outlay programs for the design and construction of boating facilities in the state park system. This item finances the loan portion of the local assistance program and Item 224 finances the grant portion for launching facilities. Appropriations for boating facilities in the state park system are in capital outlay Items 347, 376 and 377. The Harbors and Watercraft Revolving Fund finances most of the department's local assistance.

ANALYSIS AND RECOMMENDATIONS

The department requests an appropriation for harbor development loans totaling \$6,250,000 as follows:

- | | |
|---|-----------|
| 1. Statewide planning loans | \$100,000 |
| 2. Emeryville Marina, Alameda County | 1,000,000 |
| 3. San Leandro Marina, Alameda County | 400,000 |
| 4. Martinez Marina, Contra Costa County..... | 450,000 |
| 5. Crescent City Harbor, Del Norte County | 250,000 |
| 6. Coyote Point Marina, San Mateo County | 550,000 |
| 7. Pillar Point Harbor (Half Moon Bay),
San Mateo County | 800,000 |
| 8. Santa Barbara Harbor | 2,200,000 |
| 9. Ventura Harbor | 500,000 |

Total	<u>\$6,250,000</u>
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LOANS FOR PLANNING AND HARBOR DEVELOPMENT—Continued**Coyote Point Marina (San Mateo County)**

We recommend disapproval of the \$550,000 loan for the Coyote Point Marina because the scope of the project and total costs have not been determined and an environmental impact report has not been submitted.

The budget includes \$550,000 for a loan to San Mateo County for improvements to the Coyote Point Marina. The proposed project includes the installation of approximately 500 additional berths, modifying the breakwater and widening the channel. The project will require further state loans in addition to this budget request. The department has not determined the total scope and cost of the project and an environmental impact report has not been submitted.

Continuing Projects

The loans for San Leandro, Crescent City and Pillar Point are to complete harbor development projects for which partial funding is included in the current year. A loan to the City of Emeryville provides \$250,000 for added costs to complete a project budgeted in the 1969-70 fiscal year for \$1 million.

New Projects

The loans for Santa Barbara, Ventura, Martinez and a second loan for Emeryville involve new projects. The Santa Barbara project includes replacing the existing 147 slips and enlarging the berthing area to provide 490 new slips along with new restrooms, some repair of the existing breakwater, relocation of the existing boat yard and storage area, construction of new parking areas and landscaping improvements. The Ventura project involves construction of about 150 slips and includes some shaping and riprapping of the basin shoreline and additional parking area with landscaping and sanitary facilities. The second loan for the Emeryville Marina involves \$750,000 for 300 additional berths, some dredging, installation of utilities and landscaping.

The Martinez loan of \$450,000 is to seal the breakwater, construct an earth dike, dredge the harbor and improve two piers. The work is expected to solve the siltation problem that has plagued the marina. The department indicates the project is feasible and will help the city obtain revenue to begin repaying an outstanding loan of \$1,300,000 for the original marina construction.

**Department of Navigation and Ocean Development
LAUNCHING FACILITY GRANTS**

Item 224 from the Harbors and
Watercraft Revolving Fund

Budget p. L-22 Program p. I-862

Requested 1973-74	\$2,135,000
Estimated 1972-73	745,000
Actual 1971-72	300,000
Requested increase \$1,390,000 (186.6 percent)	
Total recommended reduction	\$240,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Broderick Beach (Yolo County). Reduce \$240,000.* Recommend deletion because environmental impact statement is deficient.

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GENERAL PROGRAM STATEMENT

In prior years the Department of Navigation and Ocean Development has been authorized, after appropriation by the Legislature, to grant funds to a county, city, or district for the construction and development of small craft launching facilities. Chapter 581, Statutes of 1972, authorizes the department in addition, after appropriation by the Legislature, to grant funds to other public agencies for launching facilities. With that added authority, the department in this item proposes grants to federal as well as local agencies.

ANALYSIS AND RECOMMENDATIONS

This item would appropriate \$2,135,000 to finance 13 launching facility grants to public agencies. The request is the most ambitious proposal the department has ever presented for launching facilities. The amount compares with \$745,000 estimated expenditures for four projects in the current year. Ten projects and \$1,235,000 of the request involve reconstruction or improvement to existing launching facilities. Three projects and \$900,000 involve additional facilities.

Launching facility grants are requested as follows:

1. Alameda County, City of San Leandro—Pave the parking area and provide lighting, boarding dock and landscaping for an existing facility \$70,000
2. Calaveras County, New Hogan Reservoir, U.S. Army Corps of Engineers—Construct concrete four-lane ramp, boarding dock, parking area, landscaping, lighting, sanitary facilities 200,000
3. El Dorado County, City of South Lake Tahoe—Reconstruct existing launching facility 250,000
4. Kern County, Lake Isabella, U.S. Army Corps of Engineers—Improvements to existing ramps in three areas to provide a total of eight concrete lanes and construc-

LAUNCHING FACILITY GRANTS—Continued

tion of sanitary facilities.....	220,000
5. Lassen County, Eagle Lake—Extension of existing ramp	30,000
6. Mendocino County, Lake Mendocino, U.S. Army Corps of Engineers—Pave parking area and provide landscaping, lights, boarding floats and sanitary facilities for existing launching facility	150,000
7. Nevada County, Donner Lake—Parking lot repairs	25,000
8. Plumas County, Lake Almanor, U.S. Forest Service—Construct two-lane concrete ramp, boarding dock, sanitary facilities, lighting, parking area.....	300,000
9. Riverside County, Skinner Lake—Construct five-lane concrete ramp, lighting, sanitary facilities, landscaping	400,000
10. City of Sacramento, Garcia Bend on Sacramento River—Provide sanitary facilities, lighting, landscaping and floating dock for ramp to be built by U.S. Corps of Engineers and State Reclamation Board	110,000
11. City of Sacramento, Miller Park on Sacramento River—Finance increased cost of project originally budgeted at \$150,000 in 1971–72 for reconstruction and improvement of existing facility	75,000
12. Yolo County, City of Broderick on Sacramento River—Reconstruction of existing ramp, parking area, lighting, sanitary facilities	240,000
13. Statewide—Repair and extension of lower extremities of launching facilities at reservoirs and lakes having fluctuating water levels	65,000

Yolo County, Broderick Beach Launching Facility Grant

We recommend disapproval of the \$240,000 for the Broderick Beach launching facility because the environmental impact statement is deficient.

Yolo County requests a grant of \$240,000 to reconstruct an existing launching ramp and to provide parking, lighting and sanitary facilities at Broderick Beach on the Sacramento River across from the City of Sacramento. An existing launching facility is located near the proposed Broderick project at Discovery Park at the confluence of the American and Sacramento Rivers. In addition, this budget includes funding for improvement of two other launching facilities at Miller Park and Garcia Bend on the Sacramento River south of the Broderick project. Upon completion of the three budgeted projects, there will be four launching facilities located in relatively close proximity.

The environmental impact statement for the Yolo County project tends to maximize the benefits to boaters and minimize any adverse effects. However, there are two special adverse effects of motorboats on the Sacramento River which are not mentioned in the statement. One is noise and the other is wave wash which is generally claimed to contribute to bank or levee erosion along the river. This project will be the fourth launching

facility located relatively close together on the Sacramento River. Taken in total, the effect of the additional capacity for boat launching will increase noise levels to the detriment of those who enjoy the serenity of the river environment or live along the river. Also, boats have long been considered responsible for an undermined amount of levee damage created by wave wash. By providing additional facilities to launch boats and encouraging boating on the river, there will be some increased amount of wave wash and resulting erosion of levees. It would be reasonable for the boaters to pay for some of that damage.

We have not singled out the Broderick Beach grant because its environmental impact statement is more deficient than the statements for the other two projects on the Sacramento River. The other projects involve adding amenities or reconstruction of previously approved facilities which do not significantly increase boating use capacity. The Broderick grant involves original funding in this budget. The Department of Navigation and Ocean Development is the lead agency in the project. Because the environmental impact statement is deficient in not recognizing noise and levee erosion as adverse effects we recommend disapproval of the \$240,000 grant.

**Department of Navigation and Ocean Development
BOATING LAW ENFORCEMENT**

Item 225 from the Harbors and
Watercraft Revolving Fund

Budget p. L-24 Program p. I-865

Requested 1973-74	\$700,000
Estimated 1972-73	425,000
Actual 1971-72	275,000
Requested increase \$275,000 (64.7 percent)	
Increase to improve level of service \$275,000	
Total recommended reduction	\$65,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. *Boating Law Enforcement. Reduce \$65,000.* Recommend reduction to provide appropriation equal to approved applications for grants. 478

GENERAL PROGRAM STATEMENT

Chapter 1354, Statutes of 1969, increased boat registration fees for undocumented vessels and provided for the allocation of the revenue from the increased fees to counties and the State Department of Parks and Recreation for the support of boating safety and enforcement programs.

The purpose of the assistance program is to allocate revenue for boating safety and enforcement programs to counties where nonresident vessels are used extensively. The law provides that the amount of aid for which a county or other entity is eligible shall not exceed the total cost of its

BOATING LAW ENFORCEMENT—Continued

boating safety and enforcement program needs less the monies derived from personal property taxes on boats and the fee charged for boating activities as determined in accordance with a formula prescribed by the department.

ANALYSIS AND RECOMMENDATION

We recommend the appropriation be reduced by \$65,000 to provide only the funds contained in the applications the department has received and approved for 1973-74.

The department requests \$700,000 for local assistance to 21 counties for boating law enforcement in 1973-74. That amount compares to an estimated \$425,000 allocated to 20 counties in the current year.

The counties use the funds to finance personnel and equipment for boating law enforcement programs. The department is administering the program to require personal property taxes on boats to be expended for boating law enforcement in order to qualify for state funds. At the time the budget was prepared the department estimated \$700,000 would be required for local assistance grants. However, some counties did not apply as anticipated and the department has approved applications on file for only \$635,000 in grants. We recommend the appropriation be reduced by \$65,000 to provide funds for applications received and approved.

**Department of Navigation and Ocean Development
EMERGENCY HARBOR REPAIR AND PAYMENT OF
DEFICIENCIES IN APPROPRIATIONS**

Item 226 from the Harbors and
Watercraft Revolving Fund

Budget p. 135 Program p. I-862

Requested 1973-74	\$100,000
Appropriated 1972-73	100,000
Actual 1971-72	None
Requested increase—None	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This appropriation provides authority to spend \$100,000 from the Harbors and Watercraft Revolving Fund for repair of damage at small craft harbor facilities constructed pursuant to Sections 70.2, 71.4 and 83 of the Harbors and Navigation Code when caused by emergency conditions such as severe storms. The purpose of the appropriation is to use the Harbors and Watercraft Revolving Fund as a direct source of money for the repairs rather than borrowing from the General Fund which in turn would have to be repaid from the revolving fund.

Also, the appropriation would provide the department with a source of funds should deficiencies occur in its appropriations. The funds would be

available on approval of the Director of Finance and/or the Governor as provided in Section 11006 of the Government Code. Without this appropriation the money would have to come from the Emergency Fund, which in turn would be repaid by the revolving fund.

In the current year, \$92,000 has been allocated to Santa Barbara to repair a breach in the sandbar caused by a storm.

Resources Agency
DEPARTMENT OF PARKS AND RECREATION

Items 227 through 231 from the
General Fund and five special
funds

Budget p. 137 Program p. I-878

Requested 1973-74	\$26,571,078
Estimated 1972-73.....	23,852,508
Actual 1971-72	20,707,509
Requested increase \$2,718,570 (11.4 percent)	
Total recommended reduction	\$368,052

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. Project Selection. Recommend designation of \$50,000 in Item 227 of the increase for planning and development be used for an outside consultant's study to develop methodology for selecting new projects primarily for purposes of the 1974 Park Bond Act. 481
2. *New Workload, Park Operations. Reduce Item 227 by \$223,758.* Recommend reductions because of premature scheduling of openings at new or expanded park units. 483
3. *Redwood Parks. Reduce Item 227 by \$144,294.* Recommend removing operating funds for three redwood parks to secure their transfer to the National Redwoods Park. 486
4. Winter Operations. Recommend minor structural modifications to Sierra area buildings which would eliminate current snow removal workload. 487

GENERAL PROGRAM STATEMENT

The Department of Parks and Recreation plans, acquires, develops and operates state outdoor recreation and park areas and historical facilities and performs statewide recreation planning. The department was organized in November 1967 pursuant to Chapter 1179, Statutes of 1967. The State Park and Recreation Commission establishes overall policy guidance for the department.

DEPARTMENT OF PARKS AND RECREATION—Continued**Sources of Funding**

The department is still expending the \$150 million provided by Chapter 1690, Statutes of 1964, known as the State Beach, Park, Recreational, and Historical Facilities Bond Act of 1964. The electorate has approved Chapter 782, Statutes of 1970, known as the Recreation and Fish and Wildlife Enhancement Bond Act. This act authorizes (among other things) issuing \$54 million in general obligation bonds for use by the Department of Parks and Recreation for planning and construction of onshore recreation facilities at units of the State Water Project. The passage of Chapter 1, First Extraordinary Session, Statutes of 1971 (AB 1), provided \$40 million for recreational, coastline and other related purposes in the Bagley Conservation Fund. Most of the department's capital outlay program and its associated planning effort now are financed from the Recreation and Fish and Wildlife Enhancement Bond Fund and the Bagley Conservation Fund. A substantial acquisition program has been developed by using the department's portion of grant funds from the federal Land and Water Conservation Fund to match state acquisition funds or gifts of land interests by private parties. Finally the Legislature has passed and the Governor has signed a bill to place before the electorate in 1974 a \$250 million bond issue for acquisition, development and local grants for park and recreation purposes.

Size of 1973-74 Increase

The department's General Fund support budget request for 1973-74 has no substantial difference in level of service from the current year's budget. Total departmental expenditures including support, local assistance, and minor capital outlay will increase 7 percent from \$27,318,118 in the current year to \$29,256,324 in the budget year. The increase in total expenditures in the budget year is a combination of an increase in personal services of \$665,198; an increase in operating expense of \$1,454,425; an increase in minor capital outlay of \$256,608; an increase of \$120,000 for the consolidated data center; a decrease of \$5,548 for internal reimbursements; a reduction in local assistance of approximately \$538,403; and an increase in local assistance reimbursements of \$25,170.

The department is proposing to increase a net of 32 positions, from 1,825 in the current year to 1,857 in the budget year.

Organization of Support Budget

The 1973-74 support budget for the department as discussed in this analysis consists of the following appropriations from the various fund sources as shown:

Item 227, departmental support, General Fund	\$24,373,918
Item 228, departmental support at Hearst Castle,	
General Fund	1,689,458
Item 229, Off-Highway Vehicle Fund	95,052
Item 230, departmental support for boating safety,	
Harbors and Watercraft Revolving Fund	217,912
Item 231, Special Deposit Fund	194,738

Chapter 1052, Statutes of 1969, Resources Protection Account, General Fund	\$61,870
Chapter 1764, Statutes of 1971, San Francisco Maritime State Historic Park, General Fund	\$100,000
Total.....	\$26,571,078

ANALYSIS AND RECOMMENDATIONS

Planning and Development

In recent years this Analysis has contained recommendations for the development of standard designs to reduce costs and expedite construction of park units, for improvements in planning and evaluating concession agreements, for establishing schedules and priorities in planning the development of park units and for improving the form and processes by which the planning work is done. The objective was both to improve the technical quality of the work to secure greater precision in the programs and the policies for acquisition and development of the state park system.

The Legislature approved many of these past recommendations and some legislation has been enacted spelling out new policies for the department.

The Analysis has noted from time to time important instances in which the department has not observed these legislative directives (for example, standardization) or has conformed to them in appearance more than substance (for example, project justification material). The development and acquisition program has increased substantially in recent budgets while the capability of the department to execute the programs has diminished.

Project Selection

We recommend that \$50,000 of the increase in the planning and development program be designated by the Legislature for an outside consultant's study to revise and improve the methodology for selecting acquisition projects based on the legislative directive in SR 238, 1965 General Session.

Passage of the 1964 State Beach, Park, Recreational and Historical Facilities Bond Act presented the Department of Parks and Recreation with the difficult task of studying all acquisition projects which were nominated either by individual legislators, by the Resources Secretary or by the Park and Recreation Commission. The first priority list of projects selected for acquisition was found substantially deficient by the Legislature which approved only about one-half of the projects. Senate Resolution 238, 1965 General Session (Senate Journal, page 3449), provided the department with legislative guidance for the selection of projects and for reporting to the Legislature.

In recent years, however, the selection process established pursuant to SR 238 has not been followed. Meanwhile the department is engaged in a significant acquisition program through the use of federal Land and Water Conservation Fund money and the Bagley Conservation Fund. Of greater importance is that in June 1974 the electorate will be asked to vote on a new bond issue for \$250 million which is substantially similar to the

DEPARTMENT OF PARKS AND RECREATION—Continued

1964 bond act and which will present many of the same acquisition selection problems that existed under the 1964 act. In recognition of the need for advance work on the selection of projects, the 1974 bond act makes \$50,000 available for this purpose after approval of the bond act by the electorate. This small sum does not appear adequate because the projects can be nominated for study immediately upon voter approval of the bond act in June 1974, assuming that it is approved. There is a need to start now on the development of methodology for the evaluation and selection of projects to be acquired. There is also a need to consider the substantial changes in the selection processes that the preparation of environmental impact reports may require.

Within the 1973-74 budget request for the planning and development program there is an approximate \$250,000 increase which is not clearly explained. It is recommended that \$50,000 of that increase be designated by the Legislature for an outside consultant's study to revise and improve the methodology for selecting acquisition projects based on the legislative directive in SR 238.

Completeness of Budget Submission

For the first time in several years there has been no major event occurring in the closing phases of budget preparation which has upset the department's budgeting processes (such as the enactment of the Bagley Conservation Fund last year or the approval of the Recreation and Fish and Wildlife Enhancement Bond Act in the prior year). Therefore, the department's budget for 1973-74 is presumably a complete budget and should not require major revision or addition because of unforeseen circumstances.

In addition, the support and capital outlay budgets are each better organized and the budget items are better placed in the Budget Bill. The result should facilitate understanding the department's budget. Unfortunately there is a continuing increase in the number of budget items to cover both support and capital outlay. As long as bond acts continue to require that all appropriations made from them must be in a separate section of the Budget Bill, there is no apparent solution to this problem.

Off-Highway Vehicle Fund

Chapter 1816, Statutes of 1971, provided authority for the Department of Motor Vehicles (DMV) to collect \$15 for the registration of approximately 1.3 million recreational vehicles which do not use the highway system. Of this \$15 amount, \$5 is retained by DMV for administration and \$10 is made available to the Department of Parks and Recreation and local government for planning and for development of facilities for these vehicles.

The Off-Highway Recreational Vehicle Fund was originally estimated when the bill was enacted to produce \$19 million in revenues in 1972-73 and \$6.8 million in 1973-74. The department is currently requesting a total support appropriation of \$95,000 in 1973-74 for planning purposes and forecasts a surplus on June 30, 1973, of \$2.3 million and additional revenues of \$1.2 million providing total funds available for the budget year of \$3.5

million. Based upon the exceedingly poor results to date in collection of these fees, even these revenue figures appear optimistic. The recent fire in the DMV building will further interfere with collections. Since July 1, 1972, the DMV has collected only \$257,652 for 50,048 vehicles. DMV will probably receive only about \$500,000 for the current year. Thus it is obvious this program is having considerable difficulty getting started and under present circumstances will not be a significant funding source. The problem appears to be the lack of any means to assure that owners register their vehicles.

OPERATIONS OF THE STATE PARK SYSTEM

New Workload Approved for 1972-73

In the 1972-73 Analysis we recommended a reduction of \$421,070 for operating expenses and staffing at projects for which the expenditure was prematurely budgeted due to delays in construction and acquisition. The department contended that it needed these personnel and 65.5 man-years of the request were approved. Current information indicates that the number of man-years authorized in the budget request and certain augmentations was in excess of need as shown in Table 1.

**Table 1
Man-years Authorized and Filled for 1972-73 Due to
Park Acquisition and Development**

Total man-years authorized	65½
Number of man-years filled by 7/1/72	7
Number of man-years filled by 11/13/72	28
Number of man-years that will be filled by June 30, 1973	35½
Cumulative Total Filled	35½
Number of man-years that will not be filled by June 30, 1973	30

New Workload Proposed for 1973-74

We recommend a reduction of \$223,758 for new positions requested for park expansion in the budget year.

The department proposes an expenditure of \$25,681,889 for the operations program. This program includes park management, concessions administration, management and protection of resources, information and interpretation, public protection and assistance, facility housekeeping, maintenance of facilities and maintenance of equipment. The program has a \$2,195,904 increase over the current year. The increase consists of \$1,366,243 in cost increases in the form of cost-of-living adjustments, increased rentals, increased utility costs and other factors associated with existing facilities. The sum of \$829,661, which makes up the balance of the increase, is for increased workload and operating costs for new acquisitions or new project facilities being completed.

A portion of the \$829,661 requested for increased staffing is premature or unwarranted and is recommended for reduction as follows:

(a) Seacliff State Beach—The sum of \$41,000 was appropriated for working drawings in 1971-72 and construction funds were appropriated in 1972-73. This project has encountered delays because of coordination

DEPARTMENT OF PARKS AND RECREATION—Continued

problems with the county. We have been advised by the Office of Architecture and Construction (OAC), which is doing the work, that the probable construction completion date for this project will be beyond the budget year. The department is requesting the addition of four permanent and four and one-half man-years of temporary help and equipment at a cost of \$77,776 on the assumption that operation will begin in December 1973.

Amount requested \$77,776; recommended reduction \$77,776.

(b) San Onofre State Beach—The department proposes to add six permanent personnel and \$29,650 for operating expenses at the newly acquired surfing beach, the inland agricultural reserve and future camping areas. The inland area has no development and cannot now accommodate visitors. Only the surfing beach will actually be available for increased use in this budget period. Therefore we recommend reduction of one-half the personnel and operating expenses indicated and utilization of the new staff at the beach only.

Amount requested \$76,843; recommended reduction \$38,421.

(c) Folsom Lake State Recreation Area—The department is proposing to add two permanent and one and one-half temporary positions for three months to operate boat-in picnic areas, launching ramps and campgrounds being constructed by the Department of Navigation and Ocean Development. There have been delays in the completion of the construction on all of the projects except the Granite Bay area beyond the budget year. We therefore recommend the addition of only one permanent ranger for the last three months of 1973-74 to handle the added effort at Granite Bay and \$1,000 in operating expenses.

Amount requested \$10,622; recommended reduction \$7,222.

(d) San Buenaventura State Beach—Day use at this existing state beach is declining but no reductions in staff have occurred. Therefore a capital outlay project is being proposed in the 1973-74 budget to convert a paved day-use parking lot to an 86-unit campground for overnight use by recreational vehicles. The result will be a substantial decrease in the number of visitors that can be accommodated in this lot compared to what could have been handled with full day-use parking. The department has requested the addition of two permanent positions and two man-years of temporary help for 3 months to accommodate the combined decreased day-use attendance plus 86 overnight vehicle camping units. The department also estimates increased operating expense of \$1,200 per month for a three-month period due to sewerage and other utility costs. This beach is staffed jointly with two other park units so that it is not possible to compare precisely the staffing available to the workload. However, the increase in staffing does not appear to be related to increased workload. We recommend providing no additional staff for the three months the area is converted in 1973-74 to accommodate the overnight campers. We further recommend against any staff increase in future years for the overnight camping. Equivalent savings for a full year due to this reduction would be approximately \$32,980.

Amount requested \$11,845; recommended reduction \$8,245.

(e) Silver Strand State Beach—This project is similar to the previous project and is likewise encountering some reductions in attendance. No reductions in staff have accompanied this decrease. In a proposed 1973-74 capital outlay project a paved day-use parking lot will be modified to accommodate 136 recreational vehicles which will have the effect of decreasing the day-use attendance. The department is requesting one permanent and five temporary man-years for the three-month period in the budget year the camping area will be open. Due to the small change if any, in workload, we recommend the deletion of all proposed staff increases. Annual savings on a full-year basis would be approximately \$46,860.

Amount requested \$20,183; recommended reduction \$11,715.

(f) Swartz Canyon—This 3,000-acre acquisition is located near Mt. St. Helena in the Napa Valley area and at present has no development. The department proposes to add one permanent and 1.2 temporary man-years to patrol and provide protection plus \$7,978 in undefined operating expense. There are no definable tasks beyond surveillance in this undeveloped unit. The equipment requested consists of a utility vehicle, mobile radios, base-station radio, portable radio and chainsaw and small fire control equipment. It is recommended that only one permanent employee be added and that he be equipped with a vehicle, a mobile radio, and firefighting equipment. The operating expense is recommended for a 40 percent reduction.

Amount requested \$36,458; recommended reduction \$11,900.

(g) Bothe-Napa—This request consists of adding personnel and equipment for the surveillance of a 400-acre acquisition and the Old Bale Mill Park. This small project is adjacent to the existing state park unit and can utilize the staff there. The department has asked for two permanent and one and one-half temporary personnel. It is recommended that the two permanent personnel be deleted.

Amount requested \$47,337; recommended reduction \$20,000.

(h) Angel Island—The department has requested personnel and equipment to operate the new boating facilities being constructed by the Department of Navigation and Ocean Development. Public Law 92-589 (passed in October 1972) created the Golden Gate National Recreation Area which includes Angel Island. The lands and interests for this facility now owned by the State of California as a gift from the federal government are to be taken over by the federal government when donated by the state. It is recommended that the State of California turn over this facility for operation and development by the federal government and that in the future all funds for Angel Island be reverted or denied.

Amount requested \$27,812; recommended reduction \$27,812.

(i) Clear Lake State Park—A new sewerage export system is being developed which will connect the state park to the Kelseyville Sewer District. This project will add five lift stations to the sanitary system which will require maintenance for the three months that this system will be in operation in 1973-74. Rather than add personnel at approximately \$700

DEPARTMENT OF PARKS AND RECREATION—Continued

per month plus operating expenses, it is recommended that the department investigate the feasibility of a service contract with the Kelseyville Sewer District for the work. It is anticipated that such contract services will cost no more than \$200 per month.

Amount requested \$5,853; recommended reduction \$1,500 for the three months of 1973-74 and \$6,000 annually thereafter. It is also recommended that the department determine whether other units now utilizing department staff to maintain sewerage facilities would save funds by similar contracts.

(j) Bodega Head—The department proposes acquisition of 300 acres at the Bodega Headland which had been acquired by P.G. & E. for use as a nuclear powerplant. This undeveloped acreage is located at the extreme tip of Bodega Head and its value for anything other than scenic attraction is highly improbable in the immediate future. It is surrounded on all sides by publicly owned property. The property is located near the Sonoma Coast State Beach which is currently under development for campground and day use. The acquisition of this property is included in the 1973-74 budget and has not yet been approved by the Legislature. If acquisition should occur late in the fiscal year, the property can be patrolled by the staff at Sonoma Coast.

Amount requested \$19,167; recommended reduction \$19,167.

Problems at Selected Park Units

The department has a number of existing park units with problems.

(a) Redwood parks. *We recommend that \$144,294 be deleted from the budget in order to turn the operation of three state redwood parks over to the National Park Service.* In 1968 the federal government established the National Redwood Park. Congress assumed that Jedediah Smith, Del Norte and Prairie Creek Redwood State Parks would be a part of the national park. This transfer has not yet been worked out and the state is still paying the operating costs of the above parks. This same recommendation for a reduction was made in the 1972-73 Analysis. It was not approved. Instead the Legislature directed the department to prepare a progress report on negotiations with the federal government for the transfer, which negotiations the department indicated were taking place. The progress report has been received but does not outline any specific progress in the transfer. The report does not show how the department is seeking to expedite the transfer. Gross operating costs are forecast by the department at \$272,578 for the three parks and the gross revenue will be about \$128,284 in the budget year. This results in an annual operating deficit of \$144,294. In order to eliminate this cost and encourage the department to transfer operation of the parks, we repeat our recommendation.

(b) Sierra area. During the 1971-72 winter season Sugar Pine Point State Park was kept open on an experimental basis for camping and other uses under snow conditions. The parking lots as well as selected portions of the camping areas were cleared of snow. The restrooms were heated and hot water was available. The details of the attendance during this

period are shown in Table 2. Because of the extremely small attendance, it is recommended that such winter camping be discontinued and the costs incurred be avoided. Upon adoption of this operating change, substantial savings can be made in a new heavy equipment shop and garage which is proposed in capital outlay Item 350.

Table 2
Sugar Pine Point State Park Winter Camping and Day Use
1971-72

	<i>Persons camping</i>	<i>Visitor day use</i>
October.....	432	453
November	120	337
December	12	302
January	30	321
February.....	38	463
March	108	970
April.....	273	2,341
Totals.....	1,013	5,187

(c) Winter operations. *We recommend minor structural modifications to Sierra area buildings which would eliminate the need to shovel snow from the roofs.*

There are approximately 40 park system buildings in the Tahoe area that require having the snow removed from the roof by hand labor. Most of these are small comfort stations with peaked roofs and false ceilings. The addition of minor supports and bracing within the attic space would permit the use of removable "props" between the floor and the ceiling to shore up the roof from the inside during the winter and permit saving approximately 12 man-months of labor per year. The costs involved are negligible and the modifications can be accomplished by department personnel.

(d) Special report. The Legislature requested that a report be made on the operations at the end of the 1972 summer season identifying the cost and revenues of several park units. The department furnished a letter indicating the operating expenses and revenues at these locations and these data are summarized in Table 3. It should be recognized that this information does not cover a full year of operation, but covers most of the visitor season.

Table 3
Operating Expenses and Revenues of Selected Parks

<i>Park unit</i>	<i>Total operating cost (estimated on Feb. 1, 1972)</i>	<i>Actual operating cost (July- December 1972)</i>	<i>Annual revenue (estimated on February 1, 1972)</i>	<i>Actual revenue July-December 1972)</i>
Cooper Molera Adobe	\$50,315	\$7,868	\$2,000	—
Andrew Molera (Big Sur-Molera)	\$57,261	\$33,196	\$8,000	\$621
Caspar Headlands	\$4,604	\$500	\$1,000	—
	<i>Recap:</i>		<i>Expenses</i>	<i>Revenue</i>
Forecast.....			\$112,000	\$11,000
Actual.....			\$38,400	\$621

DEPARTMENT OF PARKS AND RECREATION—Continued

(e) Jetty Beach. The department recently purchased this property with \$1,375,000 appropriated in 1971-72 and has taken over the operation of Jetty Beach near Moss Landing. Previously Monterey County serviced the area. Since the state's purchase there have been numerous public health problems with Monterey County. The county has suggested that the unit be closed even though the state is operating it at higher standards than the county did and some portions have been closed. State purchase and operation of property should increase public use. In this case public use of the property under state operation has been less than it was under private ownership.

(f) Big Sur-Molera property. Last session the department proposed the operation of the Big Sur-Molera property as a youth camping area to provide an overnight area for itinerant youths and to draw troublemakers from nearby park units. (The damaging Big Sur fire in August started from an illegal campfire on part of the Big Sur-Molera property.) It was planned that park rangers would live in trailers near the youths. The plan was changed and a very primitive camping area was established subject to ranger patrol and a very minor fee. The area was not signed and was used only by those directed to it by park rangers. This arrangement alleviated the policing problems at nearby park units but resulted in the use of a major park property by a select group of individuals rather than the general public.

Assistance to Public and Private Recreational Agencies

In this element the department administers federal and state grant programs which provide financial assistance to local agencies for recreational development. The functions include review, evaluation, recommendations to the director, contractual arrangements, on-site inspections and final review for payment. The element also provides coordination for local governments and private individuals to assist them in planning recreational facilities. In the proposed budget the department is seeking \$395,814 from all funding sources for assistance to public and private agencies. This is a decrease of over \$530,000 due to reductions in 1964 Park Bond grants and federal reimbursements.

The department is proposing expenditures of approximately \$189,000 for grant programs under the 1964 Park Bond Act. The department proposes to expend approximately \$110,000 from the 1964 bond act as a grant for the acquisition of Mandalay Beach in Ventura County. Expenditure of \$78,500 for administration and state project review in 1973-74 has been requested from this fund. Administration of the Mandalay project should require no more than \$5,000 (about 5 man-months). The department advises us that the 1964 bond act project review today involves followup on approximately 110 local assistance projects which have not been completed. The department expects approximately 15 projects will not be completed in the current year and will need to be administered in 1973-74. It has been unable to explain precisely what funds are needed for those projects which have not been completed. We estimate that the effort required to administer the completion of the remaining grant projects

should be no more than \$35,000.

In Item 365 where grant administration funds are appropriated we recommend a reduction of \$38,500 in the appropriation request.

**Resources Agency
RECLAMATION BOARD**

Item 232 from the General
Fund

Budget p. 141 Program p. I-910

Requested 1973-74	\$264,138
Estimated 1972-73.....	253,375
Actual 1971-72	232,050
Requested increase \$10,763 (4.25 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Reclamation Board was created in 1911 to participate in controlling the flood waters of the Sacramento and San Joaquin River Systems. In 1957 the Legislature placed the board within the newly created Department of Water Resources but authorized it to retain its independent power, responsibilities and jurisdiction. The board is now also part of the Resources Agency. It consists of seven members appointed by the Governor from the central valley area. The major activity of the board is purchasing lands, easements and rights-of-way for federal channel and levee flood control projects in the central valley. The board also administers a permit system to prevent encroachments from being constructed in flood channels which could impair flood flow capacities.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item provides for the support costs of the board consisting of board expenses and a staff of 7.5 positions. The expenditure level is the same as in the current year. All other staff costs or workload associated with board work are performed by and budgeted for the Department of Water Resources.

Resources Agency
**SAN FRANCISCO BAY CONSERVATION
 AND DEVELOPMENT COMMISSION**

Item 233 from the General
 Fund

Budget p. 142 Program p. I-913

Requested 1973-74	\$312,683
Estimated 1972-73	282,650
Actual 1971-72	228,123
Requested increase \$30,033 (10.8 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The San Francisco Bay Conservation and Development Commission (BCDC) was created by the Legislature in 1965 in order to protect the public interest in San Francisco Bay and to plan for the conservation and responsible development of the bay. The commission completed its plan for the bay system and presented it to the Legislature in January 1969. The continuing objectives of the BCDC are:

1. To prepare and maintain a comprehensive plan for the development and conservation of San Francisco Bay and its shoreline.
2. To implement the plan and commission policies by issuing or denying permits for projects to fill, dredge, or change the shoreline of the bay.

The commission consists of 27 members representing bay area citizens and officials of federal, state and local government.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The commission's total budget as proposed is \$337,683 for fiscal year 1973-74. This figure includes \$312,683 from the General Fund and \$25,000 in reimbursements. It represents a \$30,033 General Fund increase over the current year. About \$23,342 of this increase is to revise and reprint the San Francisco Bay Plan. Additional staff time will also be required to prepare the necessary environmental impact reports before the commission issues permits for filling or dredging in the bay, a change in the use of salt ponds or other managed wet lands adjacent to the bay, or for a substantial change in the use of property within 100 feet of the bay. As the necessary staff required for the preparation of environmental impact reports is unknown at this time, there is only one man-year of additional funding requested in the budget year. Increased funding at a future date is probable.

State Funds for Bay Land Acquisition

In our analysis last year we pointed out that one of the primary responsibilities of the San Francisco Bay Conservation and Development Commission is the preparation of an annual report setting forth the cost and

location of land within the commission's jurisdiction which BCDC recommends for public acquisition and use. Because no funding was provided for such property acquisition in the statutes creating the commission, the commission has relied on such local government, private, and federal moneys as becomes available for the acquisition.

We further pointed out that Chapter 1, Statutes of 1971, First Extraordinary Session, placed \$40 million in the Bagley Conservation Fund for acquisition of beach, park, and land acquisition programs, including wildlife areas, coastline planning and development of recreational facilities. We indicated that such purposes could also include acquisition of any San Francisco Bay land which BCDC would recommend for public ownership. We recommended last year, and the Legislature concurred, that BCDC prepare a report for the Legislature listing those lands in the bay that qualify for Bagley Conservation Fund allocations and for which other funds are not available for acquisition.

BCDC staff was in the final stages of preparing this report and submitting it to the commission for approval as this analysis was written. The draft report designates various general areas of the bay which BCDC has determined are of significant public value which merit consideration for appropriation of Bagley Conservation Fund money. As the appraisal of tidelands is extremely complex and expensive, the commission has not attempted to estimate the value of the proposed acquisitions. It would appear reasonable that the areas designated by the commission for acquisition be given careful consideration by the Resources Agency in its recommendation to the Legislature for allocation of Bagley Conservation Fund money. Appropriation of funds for both appraisal and acquisition of such bay lands seems appropriate.

Environmental Impact Reports

The California Supreme Court decision in the Friends of Mammoth case and Chapter 1154, Statutes 1972 (AB 889) required the preparation of environmental impact reports on all bay projects proposed by public and private entities. The effect has been to require environmental impact reports prior to granting permits by the commission. The commission delayed the issuance of permits during the current year in order to assess the implication of the above decision requiring environmental impact reports.

At this time the commission has established guidelines for submission of the reports. The delay during the current year has caused revenue from permits processed by the commission to fall substantially behind earlier projections. Revenue received thus far indicates an annual rate of approximately \$8,800 which is substantially below the projected \$25,000 in the Governor's Budget.

Resources Agency
DEPARTMENT OF WATER RESOURCES

Item 234 from the General
Fund

Budget p. 143 Program p. I-916

Requested 1973-74	\$13,982,930
Estimated 1972-73	12,052,436
Actual 1971-72	11,563,396
Requested increase \$1,930,494 (16.0 percent)	
Total recommended reduction	\$43,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

- | | |
|---|-----|
| 1. <i>Study. Reduce \$43,000.</i> Recommend the funds for a solid waste disposal study be deleted because it is the responsibility of the Solid Waste Management Board. | 493 |
| 2. Waterborne Levee Maintenance. Recommend the department investigate the feasibility of using waterborne equipment to perform levee maintenance. | 495 |
| 3. Sacramento River Bank Protection project. Recommend joint resolution asking Congress to authorize use of funds for minor construction. | 496 |
| 4. Maintenance Liability. Recommend department study extent of state liability incurred when it performs flood control maintenance. | 499 |
| 5. Agricultural Data Base. Recommend the department seek review of the agricultural data in Bulletin 160-74 by Department of Food and Agriculture. | 500 |

GENERAL PROGRAM STATEMENT

The Department of Water Resources has three main areas of operation: (1) planning for the protection and future development of California's water resources, (2) constructing and operating the State Water Project, (3) providing for public safety by flood control operations and by the supervision of dams.

In the planning for the protection and future development of California's water resources, the department obtains basic data concerning sources, quantities and qualities of existing and potential water supplies for municipal, industrial and agricultural uses. The department compiles the information for use in formulating projects, studying water related problems, and managing water supplies to satisfy California's increasing water needs. The department is responsible for the coordination of timely and economical development of the state's water resources. This is accomplished through the encouragement, assistance and coordination of the planning, design and construction of works, or implementation of alterna-

tive measures by federal and local agencies.

The department is responsible for the planning, design, construction and operation of the State Water Project which will transport water from northern California to southern California via the California Aqueduct and related facilities. In its public safety work the department: (1) plans for the solution of flood problems, provides for the safe development of flood plains, levees and weirs and prepares for flood emergencies, and (2) supervises the safety of dams by providing evaluation of designs and the inspection of existing structures.

ANALYSIS AND RECOMMENDATIONS

The General Fund request for the Department of Water Resources increases to \$13,982,930 in the budget year from \$12,052,436 in the current year. This increase of \$1,930,494 consists primarily of \$1,522,000 in General Fund money to pay the operation and maintenance costs of recreational features of the State Water Project. The operation and maintenance costs of these features is not a cost of the water service contractors because it is for allocated costs which do not serve them. In past years the department has received approximately \$500,000 a year for this purpose, but because of fund shortages when the current-year budget was prepared, the \$500,000 payment was not included. As a consequence, there is a major increase between the current and budget years when the payment is reinstated. In addition to reinstating the payment, the amount has increased. This is because the amount of project facilities in operation has been increasing in recent years and therefore the operation and maintenance costs undergo a corresponding increase. When adjusted on this basis, the actual General Fund increase in the department's budget for next fiscal year is approximately \$400,000.

Completion of State Water Project

Construction of the State Water Project is rapidly diminishing. Total expenditures for design, construction and rights-of-way were \$65,236,000 in the current year, which is budgeted to decrease to \$30,056,000 in the budget year. This signifies the virtual completion of the major construction of scheduled facilities for the State Water Project.

Solid Waste Management

We recommend that \$43,000 requested for a solid waste disposal study be deleted because it duplicates certain responsibilities of the State Solid Waste Management Board.

The department plans to begin a solid waste disposal study as part of its Ground Water Basin Protection program. The department has budgeted \$43,000 to be matched by an undetermined local agency, to review completed and ongoing waste disposal evaluation studies and undertake preliminary hydrologic and geologic studies of several solid waste disposal sites. On the basis of this work a more detailed study will be made of promising sites. According to the department, a detailed report will be written on the sites investigated to guide the local agency in the development and utilization of the sites to assure protection of groundwater resources.

DEPARTMENT OF WATER RESOURCES—Continued

Chapter 342, Statutes of 1972, established the State Solid Waste Management Board. The board was established because of the increasing volume and variety of solid wastes being generated throughout the state which are creating conditions that threaten the public health, safety and well being by contributing to air, water and land pollution, and to the waste of dwindling natural resources.

Specific objectives and responsibilities of the board include, among other things to:

1. Develop and adopt statewide policy and standards for effective solid waste management.
2. Develop state policies and adopt programs for recovery of resources and energy from solid waste.
3. Assure coordinated development of a comprehensive solid waste management plan for all areas of the state.
4. Provide technical assistance, information and guidelines to local agencies; study problems of litter control; and determine appropriate means of providing financial assistance to local agencies.

The Legislature has determined that the basic responsibility to establish and maintain a comprehensive solid waste management and resource recovery policy is the responsibility of the State Solid Waste Management Board. The planning of studies in solid waste management should rest with the board to provide coordination and efficient use of funding. The Department of Water Resources may have a role to play in protecting groundwater at solid waste disposal sites. However, the department should not proceed unilaterally and should wait for the new state board to designate sites for study.

FLOOD CONTROL LEVEE MAINTENANCE

Over the past several years, we have followed carefully the increasing problems associated with maintenance of flood control levees, especially along the Sacramento River and in the delta. This work has included review of the Department of Water Resource's "multiple-purpose levee study" initiated by Senate Concurrent Resolution 151 of the 1969 session, consideration of the state's position regarding the Brannon-Andrus levee break in 1972, the levee maintenance duties assigned to the Department of Water Resources, major reconstruction of levees undertaken by the Reclamation Board and the Corps of Engineers for which additional funding required for Phase II of the Sacramento River Bank Protection project was vetoed by the President, and finally the policy of the state administration in seeking greater local financial participation when state authorization for new flood control projects is sought.

Although our review is not complete, the timeliness of the problems appears to justify bringing to the attention of the Legislature those recommendations and such information as can be presented at this time.

Waterborne Levee Maintenance Equipment

We recommend that the Department of Water Resources investigate the financial and operational feasibility, and liability implications of using waterborne equipment to perform maintenance on state maintained levees and locally maintained levees and report to the Legislature by December 1, 1973.

Following field trips taken with the department, the Reclamation Board, and the Corps of Engineers, it is evident that the most neglected aspect of levee maintenance is the repair of erosion on the waterward side of levees, typically at the waterline. Once established, erosion generates an eddy vortex and thereby gradually increases the size of the eroded area until the levee is repaired or breached.

Erosion repairs can be made from the landward side, but if rock or other material is used for repair in any sizable quantity, the transport of the material from the levee road to the erosion site is generally difficult and costly. If levee vegetation is to be retained, repair of erosions from the landward side becomes even more difficult and costly.

The Department of Water Resources maintains an estimated 15 miles of levees at General Fund expense as required by the Water Code, which could be maintained from the waterward side. The department also maintains 32 miles of levees in 13 maintenance areas at local expense which could be maintained from the waterward side. The equipment now used to maintain these levees generally includes common land-based equipment such as tractors, graders, trucks, etc. The only waterborne equipment used by the department has been a small rented boat which was used for spraying weedkillers. According to the department, local levee districts do not utilize waterborne equipment even though they maintain levees where such equipment would be suitable.

Given environmental considerations to protect vegetation along the levees, a combination of landborne and waterborne equipment may be competitive with solely land-based equipment in the accomplishment of the entire levee maintenance function if sufficient levee mileage can be consolidated into a waterborne maintenance effort.

Therefore, we recommend that the department analyze the financial and operational feasibility, and liability implications of using waterborne equipment to perform maintenance and repair of levees. The department should consider use of waterborne equipment on both state maintained levees and locally maintained levees and report on the feasibility of such an approach assuming state operation of the equipment and contracting with local agencies as necessary for reimbursement of local costs.

Levee Maintenance and Recreational Use of Levees

In the past, flood control has generally been the sole purpose of levees. Recreational use was a side benefit. The high levee maintenance cost and the relatively low value of protected land encouraged levee maintenance districts to leave vegetation on the levees. The aesthetic value of the vegetation provided an impetus towards the recreational use that has developed in the delta and adjoining rivers.

Due to the increasing value of the land protected by the levees, the

DEPARTMENT OF WATER RESOURCES—Continued

continuing subsidence of many delta islands and the rising channel and river bottoms due to sedimentation, better maintenance must be performed on levees. If flood control is the only consideration in this maintenance, the result is incompatible with recreational uses.

Through the Department of Water Resources and the Reclamation Board the state has a considerable amount of engineering and operational experience on the flood control aspects of levee maintenance. The recreational use of levees and the resulting levee maintenance repair and reconstruction responsibilities and costs have not been studied as extensively.

The flood control aspects of levee maintenance have established funding sources. As yet, recreational uses do not have a funding source or an established funding mechanism. If levee maintenance, repair and reconstruction are to reflect the emerging recreational perspective, then determining the requirements and funding sources for recreational uses will be necessary.

Under the analysis of Item 224 we have recommended deletion of \$240,000 in the budget request of the Department of Navigation and Ocean Development for a grant to construct a new launching facility at Broderick, Yolo County. The recommendation for deletion is made because the environmental impact report for the project does not, among other things, discuss the adverse effects of erosion and wave wash along the Sacramento River due to increased power boating use. If there is to be an increasing use of the river by powerboats which will create bank and levee maintenance problems, the boaters should be contributing some funds to this repair rather than leaving it as a burden on flood control.

Other forms of recreation also contribute to levee maintenance problems. Fishermen are boaters in many cases. In other cases they are similar to day-use visitors who may use an area for picnicking and create no maintenance problem except for cleanup of their debris. Where special facilities for recreational use such as parking, picnic tables and comfort stations are provided which increase subsequent levee maintenance costs or where the retention of vegetation to permit recreational day-use of the area occurs, costs for these improvements likewise should not be fully borne by flood control.

There is a need to plan for, evaluate the financial responsibility for, and secure means to pay for, a share of the levee maintenance responsibility which is proportional to both the use and maintenance costs attributable to recreation in all its forms. Methods of paying for this maintenance work should be found, and in addition, to the extent that additional capital costs are incurred for recreational features during flood control construction, those costs should be paid by recreation through some new form of cost sharing and financing.

The Sacramento River Bank Protection Project

We recommend that the Legislature, by means of a joint resolution, ask Congress to authorize use of funds for Phase II of the Sacramento River Bank Protection project to allow for minor reconstruction works in addition to major reconstruction.

The Sacramento River Bank Protection project was authorized by Congress in the Flood Control Act of 1960 to provide a long-range program of bank protection and levee setbacks as might be needed on approximately 1,560 miles of specified levees in the Sacramento Valley. The levees involved are generally the major river levees between Collinsville (near Antioch) and Chico and some levees between Chico and Red Bluff. Only a few delta island levees are included.

Costs of the project are shared two-thirds federal (Corps of Engineers) and one-third state. The original federal appropriation authorization for Phase I of the project was \$14 million over a 10-year period. In 1967 an additional \$7 million was authorized for Phase I. The state cost of Phase I will be about \$10.5 million (50 percent of the federal expenditure of \$21 million). Phase I will tentatively be completed in December 1973.

Federal legislation which would have authorized appropriation of \$10 million for Phase II was passed by Congress, but was vetoed by the President in late 1972. New federal legislation has been introduced to authorize funds for Phase II. However, continuation of federal funds for this project is not assured at this time.

The federal and state governments have spent an average of approximately \$3 million per year for the last 10 years for major reconstruction on project levees of the Sacramento River Bank Protection project. We define major reconstruction as resloping and rocking from levee toe to levee crown or berm toe to berm crown. (The berm is a low, flat area located between the channel of the river and the levee.) According to the Reclamation Board, major reconstruction costs are about \$80 per linear foot of levee.

The Reclamation Board estimates that local districts spend an average of approximately \$300 per year per mile for maintenance, repair and minor reconstruction. We define minor reconstruction as those capital outlay works which defer the necessity of major reconstructions by timely repair of minor erosions. Small erosions are caused by many factors. Once established the small erosion gradually enlarges the erosion site and eventually requires major reconstruction. The repair of such erosions tends to prevent the enlargement of the erosion and therefore the necessity of eventual major repairs. The project includes about 1,560 miles of levees which at \$300 per mile would indicate local entities expend about \$500,000 per year for levee maintenance, repair and minor reconstruction.

In spending approximately \$3 million per year the state and federal government expend approximately six times as much money for major reconstruction as the \$500,000 that the local districts expend for maintenance, repair and minor reconstruction.

Department of Water Resources and Reclamation Board staff have indicated that an average consolidated annual expenditure of \$3.5 million by all governmental agencies would provide better flood control if more money were spent on maintenance, repair, and minor reconstruction and less on major reconstruction. In addition, the natural environment of the river system and the recreational aspects thereof would be less affected by flood control requirements since more minor reconstruction would presumably require a smaller amount of major reconstruction which de-

DEPARTMENT OF WATER RESOURCES—Continued

nudes slopes and requires rocking of the levee.

Although more flexibility would be desirable from financial, engineering and environmental points of view, the federal expenditures (with 50 percent state matching) are limited to major reconstruction. This effectively locks the expenditure ratio at a less than optimal level.

Because revised federal authorizing legislation is necessary to provide more funds for Phase II, the Legislature could ask Congress to revise the language of its authorization to provide more flexibility in the types of reconstruction undertaken. Hopefully, such works could be accomplished in cooperation with the Department of Water Resources and local agencies. We recommend the Legislature request such a revision in the federal authorization of Phase II through a joint resolution.

Present State-Federal Funding Patterns Encourage Poor Local Maintenance

The payment of all costs by the federal and state government for major reconstruction in the Sacramento River Bank Protection project encourages local districts not to undertake maintenance, repair and minor reconstruction on a timely basis because the state and federal governments will pay all costs to repair the deteriorating levee section once the situation becomes critical. This, in effect, is a transfer of local responsibility and local cost to the state and federal governments.

To ascertain whether this "condition" was sufficient to cause some local districts to perform inadequate maintenance, we took several field trips with the Department of Water Resources, the Reclamation Board and the Corps of Engineers to inspect project levees. Those field trips established in our view that local levee maintenance is not being performed in a responsible and economic fashion in many instances. Maintenance is often less than what would be economically justified from a long-run engineering viewpoint. Some districts have done little or no maintenance at all. We should note that a discussion of levee maintenance is distinct from present levee stability or present adequacy. Levee maintenance is, however, related to long-run levee stability and adequacy.

Our field trip observations are partially concurred in by the Department of Water Resources annual levee inspection report. The department annually evaluates the maintenance on project levees according to federal standards and publishes the results in the Bulletin 149 series. The summary of the bulletin published in May 1972 reported that levee maintenance on 7 percent of the total project levee mileage varied "considerably from federal standards" and an additional 5 percent had received "little or no maintenance." Thus 12 percent (7% + 5%) of the 1,560 miles of project levees were found to be maintained considerably below federal standards.

According to the department, federal standards are out of date on an environmental basis. For example, the standards do not provide for the retention of vegetation on levees. It has been suggested that this is the reason for such a large percentage of levees being rated fair or poor by the department. We differ with this viewpoint. Bulletin 149 breaks down the overall rating of each district into 13 components. Of the 13 components, 5 are the principal indicators of levee maintenance. These are:

1. Readiness for flood emergency,
2. Adequate encroachment control,
3. Rodent control,
4. Repair of cracks, burrows and rainwash,
5. Repair of erosion and caving.

Using data from the department's 1970 Bulletin 149 for the 39 districts receiving an overall fair or poor rating, we tallied the number of fair and poor ratings received by each such district in the five components above. There was a high correlation between the overall rating of poor or fair and the rating received in the five categories. The specific results were: 7 such districts received fair or poor marks in all 5 categories, 14 districts received 4, 10 districts received 3, 5 districts received 2, and 3 received only 1. None had zero. Thus, we do not believe that environmentally out-of-date federal standards are the cause of such a large portion of levee districts being rated fair or poor.

We also evaluated whether districts which receive poor or fair ratings receive more than their share of reconstruction projects. In 1969, 15 percent of the total project levee mileage was rated in Bulletin 149 as fair or poor. In that year, 27.2 percent of the project sites reconstructed were in those fair or poor districts. In 1970, 12 percent of the districts were rated poor or fair and those districts had 29.6 percent of the reconstructed sites.

As long as local districts do not contribute toward major reconstruction, they will tend to avoid incurring maintenance and repair costs. This effectively shifts the costs to the state and federal government. Not only are the costs shifted, but the relatively small costs which would be incurred by the districts to make early repairs of erosion sites become major costs as time passes and the erosion enlarges to the point that the state and federal government will reconstruct the levee.

Long-Range Flood Control Program Objectives

In the long run, a fully coordinated program of levee maintenance and reconstruction in which (1) the Corps of Engineers participated under the revised authorization recommended above, (2) the Department of Water Resources pooled its maintenance funds, (3) the local districts contributed their maintenance funds and paid part of the reconstruction costs, and (4) the recreation interests contributed their proportionate share of costs for recreation use, would provide a well-rounded program which would be much more economical and efficient than the present uncoordinated approach. Such a program would not only secure more flood control protection for the dollars expended but would likely save sufficient funds to permit construction of some of the environmentally needed features for recreational and aesthetic purposes.

State Liability Due to Flood Control Maintenance

We recommend that the department analyze the liability incurred by the state for (1) maintenance and operation of levee, weir, and bypass flood control operations as prescribed by Water Code Section 8361, (2) state maintenance of Sacramento River project levees in behalf of local agencies, (3) state maintenance of nonproject local levees, and (4) emergency flood control operations. The department should report its findings

DEPARTMENT OF WATER RESOURCES—Continued

to the Legislature by December 1, 1973.

The potential liability for damages under inverse condemnation incurred by the state in flood control maintenance activities undertaken by the state has not been clearly defined. The potential cost to the state for such liability could be substantial. For example, in the Yuba City levee break of 1955 the state was held liable for \$6 million in damages. The Brannon-Andrus levee break of 1972 is expected to result in litigation which may involve the state. The total damages here are estimated in the \$20-\$40 million range.

As a partial result of a recommendation we made last year, the Reclamation Board has begun hearings to consider whether state maintenance areas should be formed over two local levee maintenance districts. These two districts were determined by the department to have done inadequate maintenance of their levees. Although the Water Code contains a procedure to establish maintenance areas over such levee districts, the state may be incurring a substantial liability should the state maintained levees fail and cause flood damages, even though the state maintenance area is funded by assessments on the local landowners. The maintenance area liability question is complex since there are two types of levees: (1) levees constructed by the Corps of Engineers where the local district has provided hold-harmless assurances for liability to both the state and the Corps of Engineers, and (2) levees upon which no federal-state work has been accomplished.

The potential liability which the state may be undertaking is not certain. Without a clear understanding of the liability involved it is difficult for the state to protect its interests and the interests of those provided flood protection. Therefore, we believe the department should analyze the state's potential liability and report its finding to the Legislature.

WATER RESOURCES PLANNING AND AGRICULTURE

We recommend the department be directed to review with the Department of Food and Agriculture the agricultural data inputs prepared by the Department of Water Resources for Bulletin 160-74.

A report by this office entitled *Water Resources Planning and Agricultural Water Needs* published in January 1973 concluded that federal and state water planning and agricultural assistance programs are not sufficiently coordinated and interrelated. They appear to utilize different data bases for the design of their activities. Some programs are operating in opposite directions. For example, the state and federal departments of agriculture are currently expending substantial amounts of tax moneys to reduce agricultural production, while federal and state water agencies are expanding agricultural production by increasing water supplies to irrigable lands. This lack of coordination is financially burdensome to the consumer/taxpayer, and may keep farm income below what it would otherwise be if governmental goals and programs were coordinated. To the extent that the state is involved with food and agriculture, it should seek to coordinate its programs to assure economies for the taxpayer and to assure that new irrigation developments are beneficial to the irrigated

areas and the state as a whole, if not the nation.

The agency which has made the most significant effort to coordinate planning is the Department of Water Resources. Through the \$6.5 million annual expenditure for the program entitled "Continuing Formulation of the California Water Plan" the department gathers and evaluates hydrologic, meteorologic, land use, water use and other demand data for general planning activities with a primary objective to ". . . prepare and maintain . . . a coordinated . . . statewide plan for timely economic . . . development of . . . water resources . . ." Within this framework the department has attempted to relate its water resources planning to agricultural water needs. The department should be commended for its efforts in this area, especially since the other state and federal agencies affecting agriculture have not substantially engaged in this type planning or coordination.

However, with regard to agricultural water needs, the department has been unable to fully achieve the objective of the above program. This conclusion is reached principally because: (1) in its planning bulletins, the department has only indirectly considered the substantial farm income assistance activities of the state and federal departments of agriculture, (2) a review of several major economic indicators show that the agricultural industry in the United States and in California has been facing a significant decline in profitability, (3) the method of economic analysis used by the department to evaluate irrigation projects may indicate feasibility for projects which are not to the benefit of the state as a whole, (4) a major University of California study indicates that future increases in irrigated acreage as projected and supported by the department will be detrimental to the state's agricultural industry, and (5) the department's planning bulletins have only indirectly considered the impact upon the consumer/taxpayers caused by increases in irrigated acreage as projected and supported by the department.

The Department of Water Resources should not be expected to establish or evaluate agricultural policies. However, neither state nor federal agencies having agriculture as a primary responsibility have undertaken to supply the Department of Water Resources with agricultural data or to coordinate divergent agricultural programs to assure that the combination of programs operates efficiently and economically. Therefore, Water Resources has attempted to perform this function.

The simplest and most direct approach to further fiscally efficient and operationally effective relationships between water development programs and agricultural programs would be to establish all data gathering and program coordination responsibilities concerning agricultural and food needs within the Department of Food and Agriculture. Under this concept the Department of Food and Agriculture would:

- (1) Establish an agricultural data base including land use, (2) coordinate the data base, including agricultural land use data, with marketing, supply, production and other departmental data, (3) coordinate the state's activities regarding governmental programs related to agriculture, (4) improve the monitoring of principal economic indicators related to the interests of the agricultural industry and the consumer/taxpayer, (5) de-

DEPARTMENT OF WATER RESOURCES—Continued

termine additional agricultural land and water needed by the state's agricultural industry to meet the needs of the consumer/taxpayer, and (6) report such information to the Department of Water Resources, the Legislature and the public.

The Department of Water Resources would include the determination of needed agricultural production in its water planning activities. It should treat the input from agriculture in the same general manner as it currently treats population data prepared by the Department of Finance's population projection unit. Once the system became operational, the Department of Food and Agriculture's input to the Department of Water Resources would substantially improve the effectiveness of water resource planning.

On page 211 of the Analysis we recommend that the Department of Food and Agriculture prepare a proposal for a work outline and necessary additional staff to implement (1) through (6) above. The outline should be completed by November 1, 1973, for review by the Legislature for inclusion in the 1974-75 budget.

We also recommend in the Department of Food and Agriculture analysis that the department review the agricultural inputs prepared by Water Resources for Water Resources' next comprehensive planning bulletin, Bulletin 160-74. For the Department of Water Resources, we recommend the department assist and cooperate in this review.

These recommendations will not be easy to implement. The effort will, however, be justified in terms of a better data base related to all the state's agriculturally oriented problems. In addition, the determination of agricultural production needs and the collection of data on agricultural land use would provide a resource base for future decisions on the needs for and the differentiation between open space lands which should be preserved by governmental action and lands which will likely remain in open space agricultural use without governmental inducements. The gathering and analysis of better data on agricultural land use along the coastline will assist in the new regulatory efforts of the State Coastal Zone Conservation Commission as established under Proposition 20 of the 1972 general election and for the preparation of better environmental impact reports where alternative uses of agricultural lands are involved. Finally, decisions on land use related to air pollution control will eventually require better data on the probable extent to which agricultural lands will shift to urban or industrial uses because of changes such as farm marketing and water resources policies. The state and federal governments are now attempting to integrate separate policies on air pollution, water quality and solid waste control and other control programs by means of land use analyses and other tools. However, the most important use of land, which is for agriculture, is not an official input into these efforts. Thus, the need for a better agricultural data base is now crucial for water resources planning, but will soon be equally as crucial for other state programs.

Department of Water Resources
SUBVENTIONS FOR FLOOD CONTROL

Item 235 from the General
 Fund

Budget p. L-32 Program p. I-931

Requested 1973-74	\$3,673,300
1973-74 Request Adjusted to 1972-73 basis	4,045,940
Estimated 1972-73.....	4,014,408
Actual 1971-72	3,947,385
Requested increase \$31,532 (0.8 percent)	
Total recommended augmentation	Pending

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. Program underfunded. Recommend the Legislature re-view funding level. 503

GENERAL PROGRAM STATEMENT

In order to protect areas subject to flooding, the federal government established a nationwide program for the construction of flood control projects to be carried out by the Corps of Engineers. These projects require local interests to cosponsor the project and to participate financially by paying for the costs of rights-of-way and relocations. In California, the state, through the Department of Water Resources, reimburses the local interests for the cost of rights-of-way and relocations. The total state cost of all authorized projects is estimated by the department to be \$199.2 million. This includes all projects authorized since the program was begun in 1946. Of this \$199.2 million, approximately \$137.6 million will have been paid at the end of the 1972-73 fiscal year. The state funds appropriated in any given fiscal year have been based on an estimate of the value of claims that will be presented by local entities and processed by the department.

ANALYSIS AND RECOMMENDATIONS

We recommend the Legislature review the funding level.

In prior years this item has included the administrative costs for the subvention program. These costs of about \$360,000 are in the support appropriation in 1973-74. The 1973-74 figures in the heading above have been adjusted to give comparability with the prior years and to show that there is no significant change in expenditure level for the entire program.

In our Analysis last year we recommended that this item be augmented by \$3.5 million. The augmentation was necessary to meet the state's obligations to local government for projects which have already been authorized by the state. The budget was later augmented by \$4 million which was vetoed by the Governor.

This year, the department estimates the program will be underfunded by approximately \$8.3 million including the \$4 million unfunded carryover from last year. The net effect of not appropriating sufficient funds is to reduce state expenditures in the budget year by an estimated \$8.3 million

SUBVENTIONS FOR FLOOD CONTROL—Continued

and to shift this expenditure to future years. For local agencies which cannot obtain sufficient funds to go ahead with their flood control projects without state advances, the state underfunding prevents the agencies from undertaking their flood control projects. For local agencies which can obtain sufficient funding to proceed without state advances, the inadequate state funding means these local agencies will be required to carry the interest costs of securing elsewhere the money which would otherwise be available from the state. For these reasons we believe the Legislature should review the funding level and the consequences of the increasing backlog of deferred projects.

Resources Agency
WATER RESOURCES CONTROL BOARD

Item 236 from the General
Fund

Budget p. 149 Program p. I-978

Requested 1973-74	\$5,189,006
Estimated 1972-73.....	4,584,006
Actual 1971-72	4,050,057
Requested increase \$605,000 (13.2 percent)	
Increase to improve level of service \$500,000	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Legislature, by Chapter 284, Statutes of 1967, established the State Water Resources Control Board. This board was formed in the Resources Agency to combine the water rights with the water quality and water pollution functions of state government. Through this organizational change, the board is charged with the responsibility to consider problems of water pollution and water quality whenever applications for appropriation of water are approved and similarly to consider water rights when waste discharge requirements are set or water quality standards are established. Statutorily, the new board is vested with all of the powers, duties, purposes, responsibilities and jurisdiction of the sections of the Water Code under which permits or licenses to appropriate water are issued, denied or revoked, or under which the state's function pertaining to water pollution and water quality control are exercised. The State Water Resources Control Board includes the nine regional water quality control boards.

The electorate in November 1970 approved Proposition 1, the Clean Water Bond Act (Chapter 508, Statutes of 1970). The act authorizes sale of \$250,000,000 in state general obligation bonds for allocation by the State Water Resources Control Board primarily for grants available for construction of new sewerage treatment plants, interceptor and collector lines, and sewerage outfall. The bond proceeds are continuously appropriated to the Water Resources Control Board for grants, for loans as

provided by the board, for a \$10,000,000 reserve for revenue bonds which the state might issue, for use of one-half of 1 percent of the bond proceeds deposited in the bond fund to pay for administration of grants, and for such amount as the board may determine is needed for plans, research, and development including statewide or areawide studies. Any state department or agency may contract with the board to receive funds to construct an eligible project.

The bond funds are used to match federal grants from the Environmental Protection Agency. In 1972 federal legislation changed the percentage of the total local project cost which would be paid for by the federal government. Prior to the 1972 federal legislation, the federal government would pay 55 percent of the local project cost if the state would provide 25 percent of the local cost. The local agency then would be required to pay 20 percent. The Clean Water Bond Act provided that the state grant would be that grant which would qualify the local entity for the maximum federal grant. Thus, the state contributed, through the Clean Water Bond Act, the 25 percent required to obtain the 55-percent federal contribution. The new federal legislation deleted the requirement for the state contribution and provided that the federal contribution would be 75 percent. Chapter 1256, Statutes of 1972, (AB 740) amended the Clean Water Bond Act to provide that the state grant would be at least 12.5 percent of the total cost rather than that grant which would qualify the local agency for the maximum federal grant. Under the new percentages, the local agency would be required to pay a maximum of 12.5 percent of the project cost.

In last year's Analysis, we indicated that the Clean Water Bond Act funds would soon be expended and another bond issue would be needed in the near future. The change in the state contribution percentage from 25 percent to at least 12.5 percent will postpone the necessity of another bond election until 1974. The need for another bond issue may also be delayed because of a lack of available federal funds for such projects.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The water quality surveillance regulation and enforcement activities of the board are being expanded by the addition of 28 new positions at a cost of \$500,000. According to the board, legislation will be introduced to establish an annual waste discharge fee which will partially offset the cost of these activities. However, it is not anticipated that such legislation will be implemented before July 1, 1974. Therefore, revenues derived from the legislation are not anticipated in 1973-74. According to the board, these added positions are necessary because the self-monitoring program (which is somewhat of an honor system) has been only partially effective and provides an insufficient basis for enforcement. We should note that both the study panel which developed the Porter-Cologne Act and the federal Environmental Protection Agency recognized this potential weakness and strongly urged the development of an adequate surveillance program.