

quake and other geological hazards. This language is similar to the commission's task of "gathering, analyzing and disseminating information" in connection with earthquake hazard reduction. The Division of Mines and Geology is also presently involved in similar information activities and is conducting fault mapping and seismographic and cooperative studies with cities and counties on geologic hazards.

We defer recommendation on this item until a program is submitted by the new commission and the extent of any duplicating activity is determined.

Resources Agency
DEPARTMENT OF FISH AND GAME

Item 239 from the Fish and Game Preservation Fund

Budget p. 554

Requested 1975-76	\$26,772,423
Estimated 1974-75.....	23,212,256
Actual 1973-74	22,114,232
Requested increase \$3,560,167 (15.3 percent)	
Total recommended reduction	\$905,518

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. *Reduce Expenditure Level. Reduce Item 239 by \$905,518.* 407
Recommend reducing program level in 1975-76 to provide minimal surplus to meet increased costs in 1976-77.

GENERAL PROGRAM STATEMENT

For 1975-76 the Department of Fish and Game requests support appropriations as follows:

1. Item 239, Fish and Game Preservation Fund
 2. Item 241, Fish and Game Preservation Fund, Duck Stamp Account.....
 3. Item 242, Fish and Game Preservation Fund, Training Account
- | | |
|-------------|--------------|
| | \$26,772,423 |
| | 274,500 |
| | 199,800 |
| Total | \$27,246,723 |

The Department of Fish and Game administers programs and enforces 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 sets 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

DEPARTMENT OF FISH AND GAME—Continued

1,400 employees located throughout the state. Field operations are supervised from regional offices in Redding, Sacramento, Yountville (Napa County), Fresno and Long Beach.

ANALYSIS AND RECOMMENDATIONS

Table 1 shows the funding sources and expenditures for the department's support activities for a five-year period.

Table 1
Department of Fish and Game—Support Expenditures by Funding Source

<i>Source of Funding</i>	<i>1971-72</i>	<i>1972-73</i>	<i>1973-74</i>	<i>1974-75^a</i>	<i>1975-76^a</i>
Fish and Game Preservation Fund					
Department Support.....	\$17,661,969	\$19,519,060	\$22,114,232	\$23,212,256	\$26,772,423
Marine Research Committee Ac- count	200,610	140,676	113,788	149,500	175,500
Duck Stamp Account	—	—	86,629	102,000	274,500
Training Account	—	—	77,424	104,150	199,800
Crab research and management ..	—	—	—	—	30,000
General Fund					
Nongame species	—	—	—	1,000,000	—
Crab research and management ..	—	—	—	10,000	—
California Environmental Protection Program Fund	—	—	—	100,000	—
Federal Funds.....	3,634,975	4,257,773	4,197,554	6,289,770	5,218,031
Totals as shown in Governor's Budget	\$21,497,554	\$23,917,509	\$26,589,627	\$30,967,676	\$32,670,254
Expenditures funded through reim- bursements.....	1,649,742	1,595,798	1,844,935	2,141,917	2,096,294
Total of all expenditures	\$23,147,296	\$25,513,307	\$28,434,562	\$33,109,593	\$34,766,548

^a Estimated

An explanation of the funds involved follows:

1. *Fish and Game Preservation Fund.* The department is primarily a special fund agency which operates through its Fish and Game Preservation Fund. This fund secures its revenues from the sale of hunting and fishing licenses and stamps, court fines and commercial fish taxes, grants of federal funds, and reimbursements received from other governmental 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.
2. *Duck Stamp Account.* This account was created by Chapter 1582, Statutes of 1970, which requires any person who hunts for ducks and geese to purchase a state duck stamp for a fee of \$1.
3. *Training Account.* This account was established by Chapter 1333, Statutes of 1971, which levies a penalty assessment of \$5 for every \$20 fine imposed and collected by a court for any violation of the Fish and Game Code.
4. *Crab Research and Management.* Chapter 416, Statutes of 1974, levies an additional privilege tax of \$0.0185 on each pound of crab taken and appropriated \$10,000 from the General Fund and \$50,000 from the Fish and Game Preservation Fund for crab research.

5. *General Fund.* Chapter 696, Statutes of 1974, appropriated \$1 million from the General Fund for nongame species programs in 1974-75.
6. *Federal Funds.* These funds totaling \$5,218,031 include \$1,375,935 for reimbursements and \$3,842,096 for cooperative programs. These programs are based on four federal acts with federal funding sources and expenditures from each funding source as follows:
 - a. Federal Aid in Wildlife Restoration Act (Public Law 75-415), known as the Pittman-Robertson Act. Excise tax on sporting arms and ammunition and on pistols and revolvers, \$2,285,859.
 - b. Federal Aid in Fish Restoration Act (Public Law 81-681), known as the Dingell-Johnson Act. Excise tax on sport fishing equipment, \$824,433.
 - c. Commercial Fisheries Research and Development Act (Public Law 88-309), known as the Bartlett Act. Federal General Fund, \$232,440.
 - d. Anadromous Fisheries Act (Public Law 89-304). Federal General Fund, \$499,364.

Budget Changes

The total support request for the Department of Fish and Game, contained in Items 239, 241 and 242, is \$27,246,723. This request is \$3,828,317 or 16.3 percent over estimated current year expenditures of \$23,418,406.

In the current year Chapter 696, Statutes of 1974, appropriated \$1 million from the General Fund for nongame species work. For 1975-76 the budget finances the nongame species work from the Fish and Game Preservation Fund in order to conserve the General Fund. Also in the current year, the department funded 75 unit wildlife and fishery managers with surplus federal cooperative funds to save about \$1 million in the Fish and Game Preservation Fund. For 1975-76 the budget finances the 75 managers fully from department support funds. If the budget is placed on the same basis as the current year, there is an increase of \$1,828,317 or 7.2 percent in expenditures.

Position Changes

For all programs financed from all sources of funds, the budget proposes to establish 151.5 new positions and delete 134.1 other positions for a net increase of 17.4 positions. With minor exceptions, the budget provides for staffing at the level contemplated by the department when it requested the license fee increase in 1971.

STATUS OF FISH AND GAME PRESERVATION FUND

On July 1, 1974 the accumulated surplus in the Fish and Game Preservation Fund was \$4,342,617. The fund surplus at the end of the budget year, after providing a reserve of \$471,051 for deferred salary increase, is estimated to be \$4,369,442. However, the department's budget does not include an amount for the Governor's proposed 1975-76 salary increase and employee benefits. The department estimates the salary increase and employee benefits will cost between \$1,500,000 and \$1,750,000 in the budget year. Assuming the salary increase will cost \$1,500,000, the surplus in the Fish and Game Preservation Fund at the end of the budget year will be \$2,869,442.

DEPARTMENT OF FISH AND GAME—Continued

The department indicates that it can meet its cash-flow needs without borrowing during 1975-76 if it has an operating surplus of approximately \$3 million. The department's proposed expenditures for 1975-76 would leave a smaller surplus than needed for cash-flow purposes and no surplus available for expenditure in 1976-77.

The department shows a major capital outlay savings in the budget year of \$1,994,200 from projects in Item 346 of the Budget Act of 1973. If this amount is deducted from the \$2,869,442 remaining in the Fish and Game Preservation Fund after allowing for the salary increase, the balance in the fund is \$875,242. If the department does not propose to spend the \$1,994,200 for capital outlay as it states, it should ask to have the money reverted so that it can technically and properly be included as surplus.

In addition to state funds, the department will have \$2,335,264 in federal funds available at the end of the budget year as a reserve to finance its federal cooperative programs.

Inadequate Revenue

The estimated revenue for 1975-76 will not finance the support budget for 1975-76. Total estimated revenues in the budget year are \$27,511,590 while total support of the department including approved salary increases of \$1,500,000 is estimated to be \$28,952,223. Therefore, some accumulated surplus will have to be used.

The department derives most of its revenue from fixed license fees. During the current period of rapid inflation, it is extremely difficult for the department to provide added services for its license buyers. The major source of the department's revenue is from the sale of hunting and sport fishing licenses. The Legislature increased hunting and fishing license fees in 1971 and again in 1974 and commercial fish licenses and taxes on two recent occasions.

In recent years, the number of hunting license sales has been declining and the number of fishing license sales has been relatively flat. Table 2 shows the number of major hunting and fishing licenses sold over the five-year period from 1969-70 through 1973-74. The table indicates that hunting licenses have declined 12 percent over the five-year period and fishing licenses have increased two percent. For 1974-75 and 1975-76 the department projects relatively flat fishing license sales and a slight decline in the number of hunting license sales.

Critical Condition in 1976-77

If the department's 1975-76 request is approved as budgeted and license sales remain level, the department will likely not have the money available to maintain the same level of service in 1976-77. Financing of merit salary increases and a probable continuation of increased operating expenses, cost of living salary increases and inflation will require major reductions in the level of service in 1976-77.

A 1975-76 budget which proposes a level of service that requires future year expenditures beyond anticipated revenues places the department in a critical position. It is doubtful that the department could receive help

Table 2
DEPARTMENT OF FISH AND GAME
Number of Hunting and Sport Fishing Licenses Sold
1969-70 through 1973-74

	1969-70	1970-71	1971-72	1972-73	1973-74	Percentage Change 1969-70 to 1973-74
Hunting						
Resident license	692,571	684,397	629,249	578,884	610,456	-12%
Junior license	72,564	70,696	68,426	62,397	65,548	-10%
Resident deer tags	410,118	391,473	376,670	357,264	387,853	-5%
Pheasant tags	225,110	228,678	219,438	195,904	195,035	-13%
Fishing						
Resident license	2,093,271	2,041,171	2,002,019	2,023,139	2,144,370	+2%
Ocean—three-day license	197,574	192,909	154,168	147,617	147,151	-25%
Stamp (inland, trout, anadromous)	3,458,475	3,428,337	3,387,603	3,300,519	3,504,618	+1%

in the form of General Fund revenues in 1976-77. Therefore, we believe the department should cut back some of its proposed budget increases and reduce some lower priority programs in 1975-76 so that some modest fund surplus will remain for 1976-77.

Proposed Balanced Budget

We recommend that (1) \$305,518 plus staff benefits and related expenses for 29 new permanent positions be deleted from Item 239 and (2) a further reduction of \$600,000 be made from programs selected by the department.

The budget requests funding for 29 new permanent, state funded positions and 8.7 positions for temporary help. With minor exceptions the new positions would provide the department with staffing at the level contemplated by the department when it requested the first license fee increase in 1971. Some of the requested positions were authorized by the Legislature in 1973-74 but were not filled and the department eliminated the positions in the current year. The salaries for the 29 permanent positions total \$305,518.

The positions cover a wide range of activities from headquarters administration and staff operations to regional operations of inland fisheries, environmental services, wildlife management and marine resources. We would ordinarily recommend approval of the positions. However, considering the difficult financial status of the Fish and Game Preservation Fund we recommend that the positions be deleted for fiscal reasons.

In addition, the department should reduce selected lower priority programs in its discretion to realize further savings of \$600,000.

After adding savings of \$305,518 from deletion of 29 new positions and selected department savings of \$600,000, the apparent Fish and Game Preservation Fund surplus would be \$5,274,960 rather than \$4,369,442 as stated in the budget. However, after deducting the proposed salary increases which we recommend be funded at about \$1,500,000, the probable fund surplus at the end of the budget year would be \$3,774,960. That

DEPARTMENT OF FISH AND GAME—Continued

amount will provide the department with the required \$3 million fund balance for operating requirements during the budget year and would enable the department to enter 1976-77 with \$774,960 to be used to pay higher costs in 1976-77.

If the reductions are not made and the General Fund is still in a difficult position, the Department of Fish and Game could face drastic program reductions in 1976-77.

DUCK STAMP 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 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 department requests \$274,500 in Item 241 from the Duck Stamp Account which is \$172,500 more than the current year. Revenue from the sale of duck stamps has been accumulating faster than the department has budgeted projects. The budget proposes expenditure of some of this surplus. The current level of funding will reduce the surplus to an estimated \$262,462 by the end of the budget year.

The department has budgeted six Canadian projects proposed by Ducks Unlimited and has selected two California projects as follows:

<i>Location</i>	<i>Project</i>	<i>Cost</i>
Canadian Projects		
Whitefish Lake, Alberta	Replace deteriorating rock and timber dam	\$35,000
Bunder Lake, Alberta	Replace deteriorating rock and timber dam	35,000
Norberg Lake, Alberta	Replace deteriorating rock and timber dam	35,000
Indian Lands, Creston Valley Wildlife Area, British Columbia	Flood control levees	70,000
Bald Mountain Marshes, British Columbia	Earthen dams providing small lakes	40,000
108 Mile Marshes, British Columbia	Dam for water flow control	50,000
Total Canadian Projects		\$265,000
California Projects		
Quaking Aspen Wetlands, Modoc National Forest	Earthen dam and nesting islands	\$5,000
Mountain Meadows Reservoir, Lassen County	Nesting islands	4,500
Total California Projects		\$9,500
Grand Total		\$274,500

TRAINING PROGRAM

Chapter 1333, Statutes of 1971, levies a penalty assessment of \$5 for every \$20 imposed and collected by the courts as fines for Fish and Game Code violations. The court collects and transmits the total amount of the assess-

ment to the state. The money must be deposited in the Fish and Game Preservation Fund in a special account for the education and training of Department of Fish and Game employees. Revenues to the account began in 1971-72 and the proposed budget provides the third year of program expenditures.

In the past, revenues to the Training Account have accumulated at a faster rate than the department has budgeted expenditures. Item 242 requests \$199,800 which is an increase of \$95,650 over the current year. The budgeted amount utilizes some of the account surplus. At the end of the budget year the surplus is estimated to be \$251,050. The increased expenditure provides for an expansion of the Peace Officers' Standards and Training program for departmental employees and the purchase of equipment. The department should consider revising the law to permit Chapter 1333 revenues to be used for any departmental purpose.

Department of Fish and Game MARINE RESEARCH COMMITTEE

Item 240 from the Fish and
Game Preservation Fund

Budget p. 561

Requested 1975-76	\$175,500
Estimated 1974-75.....	149,500
Actual 1973-74	113,788
Requested increase \$26,000 (17.4 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.

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 \$175,500 for 1975-76, an increase of \$26,000 over the current year. The money will continue studies in the movements and populations of sardine, mackerel, squid and anchovy.

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

Resources Agency
DEPARTMENT OF FISH AND GAME

Items 241-242 from the Fish and Game Preservation Fund Budget p. 564

Requested 1975-76	\$474,300
Estimated 1974-75.....	206,150
Actual 1973-74	164,053
Requested increase \$268,150 (130 percent)	
Total recommended reduction	None

1975-76 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount	Analysis page
241	Duck Stamp Account	Fish and Game Preservation	\$274,500	408
242	Training Account	Fish and Game Preservation	<u>199,800</u>	408
			<u><u>\$474,300</u></u>	

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The discussion of these appropriations is included in the analysis of Item 239 on Analysis page 408.

Department of Fish and Game

WILDLIFE CONSERVATION BOARD

Item 243 from the Wildlife Restoration Fund Budget p. 571

Requested 1975-76	\$193,787
Estimated 1974-75.....	182,110
Actual 1973-74	144,987
Requested increase \$11,677 (6 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Wildlife Conservation Board 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 seven. The board's function is (1) to acquire areas to sustain wildlife and provide recreation and (2) to furnish public access to lands or waters for fishing and hunting.

The board's program is supported by the annual diversion of \$750,000 of horserace 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.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

This item requests \$193,787 from the Wildlife Restoration Fund to support the staff of the Wildlife Conservation Board. The increase of \$11,677 over current expenditures is mainly due to an increase of \$9,841 in equipment purchases and operational expenses.

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

Item 244 from the General Fund and Item 245 from the Harbors and Watercraft Revolving Fund

Budget p. 576

Requested 1975-76	\$2,006,330
Estimated 1974-75.....	1,891,460
Actual 1973-74	1,238,953
Requested increase \$114,870 (6 percent)	
Increase to improve level of service \$93,730	
Total recommended reduction	\$70,000

1975-76 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount	Analysis page
244	Department of Navigation and Ocean Development	General	\$255,333	414
245	Department of Navigation and Ocean Development	Harbors and Watercraft Revolving	1,750,997	—
			2,006,330	

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. Boating Operations. Defer recommendation on white water boating safety program. 413
2. Beach Erosion. Reduce Item 244 by \$70,000. Recommend eliminating excess funds. 414

GENERAL PROGRAM STATEMENT

The program objectives of the Department of Navigation and Ocean Development are to:

1. Develop and improve boating facilities in the state,
2. Reduce boating accidents on state waters,

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT—Continued

3. Protect the public against unscrupulous yacht and shipbrokers and safeguard passengers on for-hire vessels, and
4. Conduct a beach erosion control program independently or in cooperation with federal and local agencies.

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

ANALYSIS AND RECOMMENDATIONS

Table 1 shows major sources of funding for the Department of Navigation and Ocean Development, exclusive of interest on surplus money and loan principal repayments.

Table 1
1975-76 Funding

Transfer from Motor Vehicle Fuel Account (boater's gasoline taxes)	\$6,400,000
Revenue from boat registration fees.....	1,771,200
General Fund (for beach erosion control)	255,333
Recreation and Fish and Wildlife Enhancement Fund—for boating facilities at units of State Water Project	301,100
Federal funds—for boating safety program.....	254,207
Interest on loans to local agencies	564,090

Departmental Programs

The department's programs covered by this analysis are boating facilities, boating safety and regulation, beach erosion control and general management. The local assistance portion of these programs is analyzed in separate items following this support analysis. The minor capital outlay appropriation from the Recreation and Fish and Wildlife Enhancement Fund is in a separate section in the Budget Bill devoted to that bond program.

Fund Surplus

On June 30, 1974, the accumulated surplus in the Harbors and Watercraft Revolving Fund was \$6,246,551. The surplus is estimated to be \$139,316 at the end of the budget year. Both figures probably underestimate the fund surplus.

In 1973-74 the Harbors and Watercraft Revolving Fund received \$1,518,086 from interest on funds deposited in the Surplus Money Investment Fund. To earn \$1,518,086 in interest there had to be on deposit an average of about \$17 million during the year based on the approximate interest rate of nine percent applicable in 1973-74.

This substantial surplus results from unreverted appropriations and delays or cancellations of local assistance and capital outlay projects. The estimated surplus of \$139,316 at the end of the budget year assumes that funds for all projects budgeted through 1975-76 will be expended by June 30, 1976. The record of past years does not verify that assumption.

If shortages occur in state revenues, some of the surplus in the Harbors and Watercraft Revolving Fund may be available for one-time appropriations for other than presently authorized purposes. The amount available

would depend on the timing and expenditure schedule of any transfer or appropriation.

BOATING FACILITIES

The objective of the boating facilities program is to develop boating facilities as needed throughout the state. The department accomplishes this through (1) loans to public agencies for small craft harbor development, (2) grants to public agencies for construction of launching ramps, and (3) capital outlay projects in the state park system and on other state lands.

The department uses the Office of Architecture and Construction to design and construct projects.

Program support expenditures are budgeted at \$859,068 compared to estimated expenditures of \$874,509 in the current year.

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

Facility	Number	Man-years	Support Costs	Project Costs
Launching Facilities.....	8	8	\$309,265	\$1,757,000
Marina Development Projects	8	9	356,513	7,486,000
Major (2) and Minor (15) Capital Outlay Projects.....	17	4	154,632	915,300

BOATING OPERATIONS

The primary objective of the boating operations program is to reduce boating deaths, injuries and property damage. The program is supported by the Harbors and Watercraft Revolving Fund and by federal funds allocated to states under the provisions of the Federal Boat Safety Act of 1971. Support costs from the Harbors and Watercraft Revolving Fund are budgeted at \$597,729 compared to \$542,573 in the current year. This increase is mostly due to a request of \$43,730 to establish a white water boating safety program.

White Water Boating Deaths Increasing

We defer recommendation on the department's request for \$43,730 to initiate a white water boating safety program until the details of the program are formulated.

Since 1969 white water boating deaths in California have more than tripled from 10 to 33 per year. This increase is due in part to the greatly increased popularity of kayaking, canoeing and rafting on hazardous waters. A bill which would have allowed the department to require the use of life jackets on such waters was vetoed by the Governor last year. Only two of the 29 white water victims in 1974 were wearing life jackets. These data suggest a possibility that some of these deaths could have been prevented by education and proper equipment.

The department requests \$43,730 from the Harbors and Watercraft Revolving Fund to finance three new positions to initiate a white water boating safety program. The department has not determined how the program will operate. Such a program may have justification, but a more

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT—Continued

complete explanation of its organization and operations should be provided. We therefore defer recommendation pending submission of the explanatory material.

BEACH EROSION CONTROL

The objectives of the beach erosion control program are to study and report on the problems of beach erosion and prepare plans and construct works necessary to stabilize and replenish beach sands. Most of the program involves cooperative efforts with the federal government but there are some independent state investigations. The projects are usually constructed by the U.S. Corps of Engineers. As of this writing the department has not been notified of any corps projects scheduled for 1975-76 which will require state funding. Consequently, there are no project funds in the local assistance budget.

Delete Unneeded Funds

We recommend a reduction of \$70,000 to eliminate unneeded funding.

The \$255,333 budgeted for administration of the beach erosion program is based on the \$190,178 estimated expenditure in the current year for continuing support costs plus a \$50,000 increase for a new contract with the Navy to establish information on deep-water wave characteristics. However, the \$190,178 in the current year included \$65,000 for a one-year contract with Scripps Institution of Oceanography for a special study project. Continuation of the \$65,000 into 1975-76 is an error. The \$65,000 plus \$5,000 allowed for cost increases, for a total of \$70,000, should be removed from the budget.

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

Item 246 from the Harbors and Watercraft Revolving Fund

Budget p. 577

Requested 1975-76	\$7,486,000
Appropriated 1974-75	6,970,000
Actual 1973-74	4,245,944
Requested increase \$516,000 (7.4 percent)	
Total recommended reduction	\$3,396,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

1. *Monterey, Oakland, Oyster Point (San Mateo County) and Vallejo projects. Reduce \$3,396,000. Recommend deletion because environmental impact reports not submitted.* 416

GENERAL PROGRAM STATEMENT

The Department of Navigation and Ocean Development develops boating facilities and small craft harbors through (1) loan and grant programs to public agencies and (2) a capital outlay program 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 247 finances the grant portion for launching facilities. Appropriations for boating facilities in the state park system are in capital outlay Items 365 and 385. The Harbors and Watercraft Revolving Fund finances most of the department's local assistance.

ANALYSIS AND RECOMMENDATIONS

This year the Governor's Budget does not include a listing and description of local assistance projects. However, the projects are scheduled in the Budget Bill.

The department requests \$7,486,000 for harbor development loans. The major features of these projects are shown in Table 1. The requests for Coyote Point, Foster City and San Francisco marinas are continuations of projects begun in previous years. The Foster City and Oyster Point marinas will require additional appropriations for completion in future years.

**Table 1
1975-76 Harbor Development Loans**

<i>Project Location and Sponsor</i>	<i>No. of Boat Slips</i>	<i>Rest- rooms</i>	<i>Sewage Pumpout</i>	<i>Parking</i>	<i>Loan Amount</i>
1. Alameda County, Oakland Embarcadero Marina, Port of Oakland (replacement and expansion)	140	Yes	Yes	Yes	\$1,000,000
2. Contra Costa County, Pittsburg Marina, City of Pittsburg (expansion)	300	Yes	Yes	Yes	1,700,000
3. Monterey County, Monterey Harbor, City of Monterey	112 (moorings)	No	No	No	260,000
4. San Francisco County, San Francisco Marina, City and County of San Francisco (additions)	0 (Extend breakwater & seawall)	Yes	Yes	Yes	140,000
5. San Mateo County, Coyote Point Marina, County of San Mateo (rehabilitation and expansion)	10	Yes	Yes	No	650,000
6. San Mateo County, Foster City Marina, Foster City	457	Yes	Yes	Yes	1,500,000
7. San Mateo County, Oyster Point Marina, City of South San Francisco (expansion)	317	Yes	Yes	Yes	1,200,000
8. Solano County, Vallejo Municipal Marina, City of Vallejo (additions)	0 (Berth repairs & breakwater construction)	No	Yes	No	936,000
9. Planning Loans (Statewide)					100,000
					<u>\$7,486,000</u>

LOANS FOR PLANNING AND HARBOR DEVELOPMENT—Continued**Four Marina Projects Lack Environmental Impact Reports**

We recommend that \$3,396,000 for the Monterey, Oakland, Oyster Point and Vallejo marina projects be deleted because final environmental impact reports have not been submitted.

Section 21105 of the Public Resources Code states in part: "The responsible state . . . agency shall include the environmental impact report . . . as a part of the regular project report used in the existing review and budgetary process. It shall be available to the Legislature." Until environmental impact reports are submitted for the above four projects (Numbers 1, 3, 7 and 8 in Table 1) we are unable to recommend their approval.

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

**Item 247 from the Harbors and
Watercraft Revolving Fund**

Budget p. 576

Requested 1975-76	\$1,757,000
Estimated 1974-75.....	2,922,000
Actual 1973-74	2,070,000
Requested decrease \$1,165,000 (40 percent)	
Total recommended reduction	\$1,488,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Monterey, San Diego, Stockton, Shasta Lake and Ruth Lake (Trinity County) grants. Reduce \$1,310,000. Recommend deletion because environmental impact reports not submitted.* 417
2. *City of Lakeport. Reduce \$178,000. Recommend deletion because Clear Lake is already amply supplied with launching ramps.* 417

ANALYSIS AND RECOMMENDATIONS

This item would appropriate \$1,757,000 to finance eight launching facility grants to public agencies. Three projects costing \$532,000 involve improvements to existing launching facilities. Five projects costing \$1,225,000 involve constructing additional facilities.

Launching facility grants are requested as follows:

<i>County, Location and Agency</i>	<i>No. of Lanes Launching</i>	<i>Boarding Floats</i>	<i>Restrooms</i>	<i>Parking Area</i>	<i>Cost</i>
Lake County, Clear Lake, City of Lakeport	2	1	No (existing)	Yes	\$178,000
Madera County, Berenda Reservoir, City of Chowchilla	2	1	Yes	Yes	145,000
Monterey County, City of Monterey	2	1	Yes	Yes	185,000
San Diego County, Shelter Island, San Diego Unified Port District	10 (replacement)	0 (existing)	Existing	Renew Existing	208,000
San Joaquin County, Stockton Channel, City of Stockton	2	2	Yes	Yes	320,000
Shasta County, Shasta Lake, U.S. Forest Service	2	1	No Existing	Yes	297,000
Trinity County, Clair Engle Lake, Trinity County	Existing	2	Existing	24,000	
Trinity County, Ruth Lake, Ruth Lake Community Services District	2	1	Yes	Yes	300,000
Statewide-Ramp Repairs and extensions					100,000
					\$1,757,000

Five Projects Lack Environmental Impact Reports

We recommend deletion of \$1,310,000 for five launching facility grants.

No final environmental impact report has been made available for the projects at the following locations: Monterey, San Diego, Stockton, Shasta Lake and Ruth Lake. As in the case of marina projects lacking final environmental impact reports, we are unable to recommend their approval.

Clear Lake Launching Facility

We recommend deletion of \$178,000 for the City of Lakeport launching facility because Clear Lake is already amply supplied with launching ramps.

According to the department's "Boating Resources Development Planning Study" (October 1973), the Sacramento Basin, which includes Clear Lake, had 116 more lanes in 1970 than will be required for 1980. As of 1970, Clear Lake had a total of 159 launching lanes, the highest total of any lake in the state. As many as 134 of these lanes are concrete, and 26 are operated by public agencies. A grant project for two more lanes at Lakeside County Park was approved in last year's budget.

LAUNCHING FACILITY GRANTS—Continued

Additional launching lanes at Clear Lake are not needed by California boaters. Funds should be used in areas of the state such as the south coastal region and the San Francisco bay area which are designated in the department's plan as areas needing facilities.

Department of Navigation and Ocean Development
BOATING SAFETY AND ENFORCEMENT

Item 248 from the Harbors and
Watercraft Revolving Fund

Budget p. 577

Requested 1975-76	\$800,000
Estimated 1974-75.....	720,000
Actual 1973-74	635,000
Requested increase \$80,000 (11 percent)	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Funds for boating safety and law enforcement are allocated to counties where nonresident vessels are used extensively. The counties use the funds to finance personnel and equipment for their boating law enforcement program. The department requests \$800,000 for local assistance for boating law enforcement in 1975-76.

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

Item 249 from the Harbors and
Watercraft Revolving Fund

Budget p. 581

Requested 1975-76	\$100,000
Appropriated 1974-75	100,000
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 when caused by emergency conditions such as severe storms. It also provides the department with a source of funds should deficiencies occur in its appropriations.

No allocations have been made to date in the current year, nor were any made in 1973-74 from an equivalent item.

Resources Agency

CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION

Item 250 from the General Fund

Budget p. 584

Requested 1975-76	\$441,000
Estimated 1974-75.....	501,700
Actual 1973-74	302,735
Requested decrease \$60,700 (12.1 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

Initiative Proposition 20, enacted by the voters in November 1972, created 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, and
- (3) Regulate coastal development by a permit system while the state plan is being prepared.

Membership of the seven commissions is balanced between local government officials and state appointed public members. The commissions have a staff of 122 positions.

The state commission must adopt the coastal zone plan by December 1, 1975, and submit it to the Legislature for adoption and implementation.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The California Coastal Zone Conservation Commission receives funds from a number of sources. Table 1 shows the source of the commission's annual expenditures since 1972-73.

Table 1
California Coastal Zone Conservation Commission
Source of Expenditures

	1972-73	1973-74	1974-75 ^a	1975-76 ^a
Bagley Conservation Fund				
Initiative Proposition 20 (1972)	\$299,533	\$1,696,412	\$1,762,688	\$1,241,367
Revenue from permit fees	76,883	434,451	407,513	377,316
General Fund				
Budget Act appropriation (legal services)	—	217,405	420,000	441,000
Net allocation for salary increase	—	85,330	81,700	—
Chapter 1208, Statutes of 1974 ^b	—	—	—	1,003,480
Less Federal Funds estimated.....	—	—	—	(1,440,000) ^c

^a Estimated.

^b Appropriates \$1,638,907 of which \$1,003,480 is for 1975-76 and \$635,427 is for 1976-77.

^c If federal funds actually expended exceed the appropriation in Chapter 1208 there will be no expenditure from Chapter 1208.

CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION—Continued

Proposition 20 appropriated \$5 million from the Bagley Conservation Fund to support the state and regional commissions until their termination on January 1, 1977. The balance of the \$5 million will be spent during 1975-76.

In addition to the Bagley Conservation Fund revenue, the commission receives fee revenues from development permits it issues and some federal funds under the Coastal Zone Management Act. Chapter 1208, Statutes of 1974 appropriates \$1,638,907 from the General Fund to the commission for expenditure in 1975-76 and 1976-77. This appropriation is to be reduced by the amount of federal funds which the commission receives.

The 1975-76 General Fund appropriation of \$441,000 in Item 250 is for legal services rendered to the commission by the Attorney General. This amount finances nine attorneys and related clerical positions and expenses. The current year budget appropriation of \$501,700 consists of \$420,000 for Attorney General services and \$81,700 for a salary increase for all the commission's staff. The 1975-76 budget continues the salary increase by using part of the \$5 million available from the Bagley Conservation Fund rather than by appropriating the money through Item 250.

Resources Agency**DEPARTMENT OF PARKS AND RECREATION**

Items 251-257 from the General Fund and special funds

*WFM 3/17/75
WFM 4/9/75 & 4/28/75*
Budget p. 587

<i>SF</i> <i>GB</i> <i>opend</i> <i>inv</i> <i>DF for</i> <i>account</i>	Requested 1975-76	\$39,125,614
	Estimated 1974-75.....	34,477,055
	Actual 1973-74	28,239,380
Requested increase \$4,648,559 (13.5 percent)		
Total recommended reduction		\$216,000

1975-76 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount	Analysis page
251	Department Support <i>VS + LTR + 251</i>	General Fund	\$33,622,872	421
252	Hearst Castle Support <i>aab</i>	Special Account in General Fund	2,077,397	—
253	Department Support <i>+ LTR</i> <i>VS</i> <i>253</i> <i>Collier Park</i> <i>wants more for personnel and</i>	Collier Park Preservation Fund	2,156,475	—
254	Off-Highway studies <i>aab + LTR</i>	Off-Highway Vehicle Fund	149,242	430
255	Boating Safety support <i>aab</i>	Harbors and Watercraft Revolving Fund	201,128	—
255.1	—			
256	California Youth Conservation Program <i>aab</i>	General Fund	150,000	421
257	Local Assistance grants <i>aab</i>	Off-Highway Vehicle Fund	768,500	430
			\$39,125,614	

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

- SF 4/28 set down
we withdraw*
- SF OK'd →*
- SF OK'd →*
- wgm 3/1
J. U.S.*
1. Design and Construction Staffing. Recommend (1) disapproval of staffing request, (2) department resubmit staffing requirements based on scheduled workloads, and (3) department request detailed staffing estimates from the Office of Architecture and Construction (OAC) and Real Estate Services. (Analysis page 425.)
 2. Urban Parks. Recommend department review problem of urban parks and recommend program to the Legislature by December 1, 1975. (Analysis page 427.)
 3. Operating Positions. Recommend all new or unfilled operating positions be reviewed to conform to latest schedule of acquisitions and development. (Analysis page 427.)
 4. Agreements with National Park Service. Recommend department turn over operation to National Park Service, those properties scheduled to become part of national parks. (Analysis page 430.)
 5. *Water at Lake Elsinore. Delete \$216,000.* Delete funds for costly and ineffective pumping at Lake Elsinore. (Analysis page 431.)

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 State Park and Recreation Commission establishes overall policy guidance for the department.

Chapter 1152, Statutes of 1972, transferred all responsibilities for the California Exposition and Fair in Sacramento to the department. The Cal-Expo budget, however, is separate from the department's budget and can be found under Item 258-260.

ANALYSIS AND RECOMMENDATIONS

*① SF
4/14*

3/17 OK'd

The department's total request for support and local assistance is \$66,977,409 which is a net decrease of approximately \$12.5 million in total expenditures compared to the current year. This is a result of a \$16.6 million decrease in local assistance and a \$4.1 million increase in support. The \$4.1 increase is primarily due to a \$2.48 million increase in equipment and operating expenses.

General Fund expenditures of \$35.8 million are proposed in the budget year which is most of the support funds requested in the budget. Other sources of support funding are \$2,156,475 from the Collier Park Preservation Fund of which \$1.27 million is for minor capital outlay; \$178,725 from the San Francisco Maritime State Historic Park Account; \$900,000 from the State Park Highway Account in the Bagley Conservation Fund for park road maintenance; \$917,742 from the Off-Highway Vehicle Account (of which \$149,242 is for departmental planning and \$768,500 for local grants for off-highway projects); \$201,128 from the Harbors and Watercraft revolving Fund for boating safety; and \$421,350 in federal grants. The California Youth Conservation Camp program will again receive \$150,000 from the General Fund.

DEPARTMENT OF PARKS AND RECREATION—Continued**1974 Park Bond Program**

(3)
SF
4/14

The department placed major emphasis on development and acquisition projects from the 1974 Park Bond Act in the current year. Due to lawsuits, the sale of bonds was delayed. The first availability of bond proceeds was in November, 1974. In the budget year no capital outlay projects are proposed from any bond funds although nearly \$1 million for planning is included. The administration has indicated it will review the capital outlay program before requesting further bond appropriations. Grant projects pursuant to the 1974 Park Bond Act amounting to \$24 million are appropriated as local assistance.

*SF 4/26 update language for
conf. to do this*

DEVELOPMENT OF THE STATE PARK SYSTEM**Need for Comprehensive Plan and Basic Data**

In prior analyses we have pointed out the importance and need for a comprehensive planning process which will evaluate and perhaps quantify recreation deficiencies, establish program priorities, and provide a basis for the orderly acquisition, development or expansion of units of the state park system. The department has developed and used segments of such a plan in the past. However, at this time when the department has the largest amount of capital outlay ever appropriated, and large amounts of funding still unappropriated, it has almost no planning capability and no existing plan to guide it and the Legislature in selecting projects. It used only a screening process to select the acquisitions that received appropriations in 1974.

If the department is to develop a better method of determining project priorities, it is imperative that it utilize a current and adequate data base. The department's present information is obtained through the Parks and Recreation Information System (PARIS). The recreation demand used as input into this computer information system is based on the 1960 Federal Outdoor Recreational Survey conducted for 18 sports or recreational activities and on the Bureau of Labor Statistics Census Bureau Survey done on a limited door-to-door sample. No follow-up federal or state surveys have been made since.

The Department of Parks and Recreation has never undertaken a separate and specific study to determine the recreational desires and habits of California residents. The California Division of Forestry and Cal-Trans are also using these old federal data to project recreational travel needs and as a basis for their management plans because they are all that is available.

Since the federal survey there has been a tremendous growth in recreational facilities provided by the private sector, i.e., KOA Campgrounds, and many other franchised camping organizations have come into being. One of these private facilities are included in the department's tabulations of available camping facilities. Some attempt to identify facilities *provided by local park and recreation districts was made by the department in conjunction with the Department of Fish and Game and the Bureau of Outdoor Reclamation in 1964 and updated in 1969.* The current data base has no information on such activities as bicycle

*local camp people buying a survey of
private (G?) landmarks (B)*

touring, hosteling, off-highway vehicle use, recreational vehicle use, etc. Meaningful data are needed on the recreational desires of California citizens collected through an integrated survey with participation by the federal, local and state governments and representatives of the associations representing the private sector.

New 1975-76 Capital Outlay Funds

The budget indicates a very limited capital outlay expenditure totaling \$23.5 million for 1975-76. Of this amount only about \$1.2 million represents new appropriations for construction while \$1.46 million is for reimbursements to support for planning, design and development as shown in Table 1. The sum of \$19.2 million is a shift to the budget year of expenditures pursuant to 1974 appropriations made from the Bagley Conservation Fund. In addition, \$1.4 million in expenditures from the Off-Highway Vehicle Fund are carried into the budget year.

**Table 1
New Expenditures Budgeted in 1975-76 Capital Outlay**

Item	Purpose	Development or Acquisition	Reimbursements to Support	Source
366	Hearst Castle	\$350,000		Hearst Castle Revenues
367	Acquisition	(500,000)		Reimbursement from federal Land and Water Conservation Fund and Save-the-Redwoods League
368	(a) Planning		\$120,000	
	(b) Opportunity purchases	200,000		Bagley Conservation Fund
369	Development, Fort Ross	240,000		Collier Park Preservation
381	Planning		53,000	1964 State Beach, Park, Recreational and Historical Facilities Act
383	(a) Development, Silverwood ..	450,000		Recreation, Fish and Wildlife Enhancement Act
	(b) Planning		367,368	
387	(a) Preliminary planning		200,000	1974 State Beach, Park, Recreational and Historical Facilities Act
	(b) Construction planning.....		656,594	
	(c) Archaeological surveys		60,000	
	Totals.....	\$1,240,000	\$1,459,962	

Financing Bagley Conservation Fund Projects

Item 383.5, Budget Act of 1974 appropriated \$28,670,000 from tidelands oil and gas revenues to the Bagley Conservation Fund. Chapter 1521, Statutes of 1974, (AB 3401) reappropriated \$27.8 million for planning costs, acquisition costs, augmentation of inadequate prior appropriations, and acquisition of 25 projects. The sum of \$820,000 was not appropriated for any projects from the amount transferred into the Bagley Conservation Fund. Due to deficiencies in the appropriation language of Item 383.5, only about \$8.6 million of the anticipated \$28.67 million in tidelands revenues will be available in the current year for deposit in the Bagley Conservation Fund and expenditure in 1974-75.

DEPARTMENT OF PARKS AND RECREATION—Continued

** make note*
match
new
at the start
14.5 day
28.6 day
\$43 M
Total

The remaining \$19.2 million of capital outlay expenditures from Chapter 1521 are proposed to be funded by a transfer from the tidelands revenue surplus in the Capital Outlay Fund for Public Higher Education. Control Section 12.1 of the Budget Bill will make the transfer from 1974-75 tidelands oil revenues. With this transfer the 1974 Bagley Conservation Fund projects will be fully financed and the program can proceed in fiscal year 1975-76 as provided in the budget.

Carryover of Capital Outlay Appropriations

The Governor's Budget shows \$181 million in prior year appropriations as being expended in 1974-75. This is a large overstatement of current year expenditures. It is more likely that the total actual expenditure in the current year will not exceed \$43 million.

The Office of Architecture and Construction (OAC) has estimated that about \$7 million of construction was completed in calendar year 1974. OAC and the department agree that the total disbursements for the current fiscal year will be about \$7 million. Total development expenditures (including encumbrances) will be about \$14.5 million. We have reviewed these figures using a project-by-project review of the department's latest development status reports and concur with them.

A similar review of acquisitions was made on a project-by-project basis with the Real Estate Services Division in the Department of General Services. This review showed \$28.6 million as the estimated acquisition expenditures in the current year.

Table 2 shows the above estimated current year expenditures by funding source. In addition, it shows that deducting expenditures of \$43 million from the \$181 million appropriated will leave a carryover of \$137.8 million into 1975-76 compared to \$19.2 million shown in the budget. For this reason the decision of the administration to defer at least temporarily any new appropriations for Capital Outlay will not delay the development and acquisition program. The department already has more money than it can spend.

5F
4/14

Table 2
Estimated Major Capital Outlay Expenditures in the Current Year
(Acquisition, Construction and Planning)
(Millions of Dollars)

Fund Source	Authorized Expenditure	Estimated Probable Expenditure in 1974-75	Estimated Carryover to 1975-76
1974 Park Board Fund	\$79.8	\$11.0	\$68.8
Bagley Conservation Fund	47.7	19.6	28.1
Recreation and Fish and Wildlife Enhancement Fund	21.9	3.1	18.8
1964 Park Bond Fund.....	13.6	1.2	12.4
General Fund	9.9	1.9	8.0
Federal and Miscellaneous Funds.....	7.9	6.2	1.7
Totals	\$180.8*	\$43	\$137.8

* Figures differ from the budget due to rounding

The ability of the Real Estate Services Division in the Department of General Services to acquire property rapidly in behalf of the Department of Parks and Recreation has practical limitations due to available staffing and other workload. The Office of Architecture and Construction also has serious problems in trying to adjust its staffing levels to the increased workload and in contracting working drawings with private firms.

The inability of the department to complete construction on a timely basis has resulted in some cost overruns. Delays have also been caused by incomplete planning, poor communication, inadequate time for estimating budgeted amounts, etc. These same problems were noted in our Analysis last year.

Delays on Specific Projects

Table 3 is a revision of a table published in the Analysis last year. It showed selected development projects which were being severely delayed and the reasons for the delay. A major reason at that time was the failure of the department and OAC to use outside contractors to prepare working drawings. As a result of legislative direction, the department and OAC expedited contracting for working drawings. Four of the projects have been completed and four are now nearing completion. Most of the remainder, as shown in Table 3 have not progressed satisfactorily. In revising the table two columns have been added to permit comparing the (1) estimated completion date last year with the current date and (2) current reasons for the delay with the reasons last year.

Several of the projects in Table 4 warrant specific mention. The Phase II development at Perris Reservoir for which \$7.31 million was appropriated in the Budget Act of 1973 is in difficulty. The working drawings for this project were contracted to a private architect. The project is currently estimated to exceed the appropriation by approximately 50 percent. Substantial replanning and project redesign will be required to bring this project back within the available funds. Inflation and inadequate project supervision and coordination with the subcontractor seem to be the cause for the 50 percent increase. An extensive redesign of the \$1.87 million development project at Refugio State Beach will be required. The construction appropriation ~~has reverted~~ is a desirable beach camping area near Santa Barbara. The continued delays and problems encountered in designing this facility will cause much higher costs. Further examples of other high priority projects either stalled or delayed are San Gregorio, San Buenaventura, Carpenteria and Doheney State Beach. Meanwhile the department has devoted considerable effort to low priority projects such as acquiring the Harold Lloyd Estate for possible movie oriented tours.

Inadequate Design and Construction Staffing Data

We recommend that (1) the department's design and construction staffing request be denied, (2) the department be directed to resubmit detailed staffing requirements for the budget year based on scheduled workloads, and (3) the department request detailed staffing estimates from the Office of Architecture and Construction and Real Estate Services.

W&M 5/7/75 discussed DF ltr of May 6 to add
12 man yrs (or # 226,049) -- approved

S^F

~~S/B 367(b)1973 (\$1,298.41) + \$350.00 for parcel II less~~

Table 3
Development Status of Selected State Park Projects

<i>Year of Approp- riation</i>	<i>Unit Name</i>	<i>Budget Item</i>	<i>Amount</i>	<i>1974</i>	<i>1975</i>	<i>1974 Status</i>
				<i>Estimate of Completion</i>	<i>Estimate of Completion</i>	
1969	Refugio water lines	423(c)	\$225,000	June 1975	N/E	DWG's not started
1971	Emma Wood Rancho camping	314(b)	563,560	N/E	N/E	DWG's not started
1971	Refugio dev. work areas	307(g)	20,000	April 1974	N/E	DWG's not complete
1971	Refugio cont. dev. site dev.	314(f)	1,868,312	June 1975	N/E	DWG's not complete
1971	San Onofre initial	314(e)	1,298,000	Oct. 1975	April 1976	OAC may subcontract
1971	Sea Cliff work areas	307(b)	41,000	Jan. 1975	Jan. 1977	DWG's not started
1972	Angel Island shelters	318.2(b)(14)	275,000	July 1975	July 1976	Prelim. plans done
1972	Point Mugu Phase II.....	318.2(b)(13)	924,100	July 1975	Aug. 1976	OAC may subcontract
1972	Silverwood Phase II Miller Canyon	327(g)	1,772,572	April 1975	Dec. 1975	DWG's not complete now
1973	Lake Perris, Phase II O.N. camp	375(b)	7,318,140	Feb. 1976	April 1977	Work is subcontracted
1973	San Buenaventura park lot R/W	350(m)	199,928	May 1975	N/E	City dissatisfied with plan
1973	San Gregorio WD. instant.	350(n)	107,000	April 1975	N/E	Dept. has not completed its plan

Source: Department of Parks and Recreation 1-8-75.

Note: N/E indicates no estimate available from the department. DWG means working drawings.

The design and construction staffing program had a net of 90 positions in 1973-74. This staffing was to be increased by 11 positions authorized in the current year which are presently unfilled. The budget year contains an inappropriate reduction in the reimbursement to the support budget from the Recreation, Fish and Wildlife Enhancement Fund for 13 positions. It appears that there will be only 88 positions in the budget year responsible for a greatly expanded design and construction effort.

This support staffing request for design and construction of capital outlay projects seems to have little relationship to actual workload. Similarly, it is not known whether the Real Estate Division or the Office of Architecture and Construction can handle their workload. We recommend that the department be directed to schedule its capital outlay workload and that the administration request adequate staffing to accomplish it.

Department Policy on Urban Parks

We recommend the department review the problem of urban parks and recommend a program to the Legislature by December 1, 1975.

During last year's hearings on the 1974 Park Bond Act projects, the City and County of Los Angeles made several presentations before the Legislature to request funds for proposed acquisitions and development in the Los Angeles area that would serve urban population needs. At that time the department had no clear policy regarding the state's participation in urban parks.

Forthcoming changes in the California life style may be necessitated by the energy shortage. It may be appropriate for Californians to utilize nearby urban recreational facilities rather than more remote facilities. In addition, many urban citizens cannot avail themselves of the opportunity to use remote facilities. As a consequence, the acquisition and development of park units adjacent to or within urban areas should receive special attention. The department should be asked to establish a policy on this problem and to consider patterns of cooperation with urban governments in the selection and development of future urban parks.

OPERATION OF THE STATE PARK SYSTEM

We recommend all unfilled 1974-75 positions and all proposed positions for operation of the park system be reviewed to conform to the revised schedule of acquisition and development dates for the design and construction program.

The department proposes the expenditure of \$37,772,805 in the budget year for operation and management of the state park system. This is a \$4.6 million increase over the current year. The department provides many services through this program including park management, concessions administration, management and protection of resources, information and interpretation, public protection assistance, facility housekeeping and maintenance of facilities and equipment.

Part of the requested increase would provide for approximately 85 man-years of new operations personnel consisting of 67 permanent positions and 18 positions in temporary help. This increase would be added to the 69 positions requested in the budget of the current year and already

5/1/75 w/fm approved use of D.F. to control

the pub. starts with the difficulty in the base in the current year!

DEPARTMENT OF PARKS AND RECREATION—Continued

included in the base of the 1975-76 budget.

*Mesa
Del Norte
Institutes
San Joaquin
Mendocino*

Due to anticipated delays in completing acquisitions and developments scheduled for the current year, the Legislature limited the establishment of new positions in the current year to units actually acquired and completed as determined by the Department of Finance. Accordingly, 37.6 man-years have not been authorized by the Department of Finance to date. A comparison of these positions with new staffing requested for 1975-76 reveals some duplication of position requests. In addition, some of the 1974-75 positions may not be needed in 1975-76 and should be eliminated.

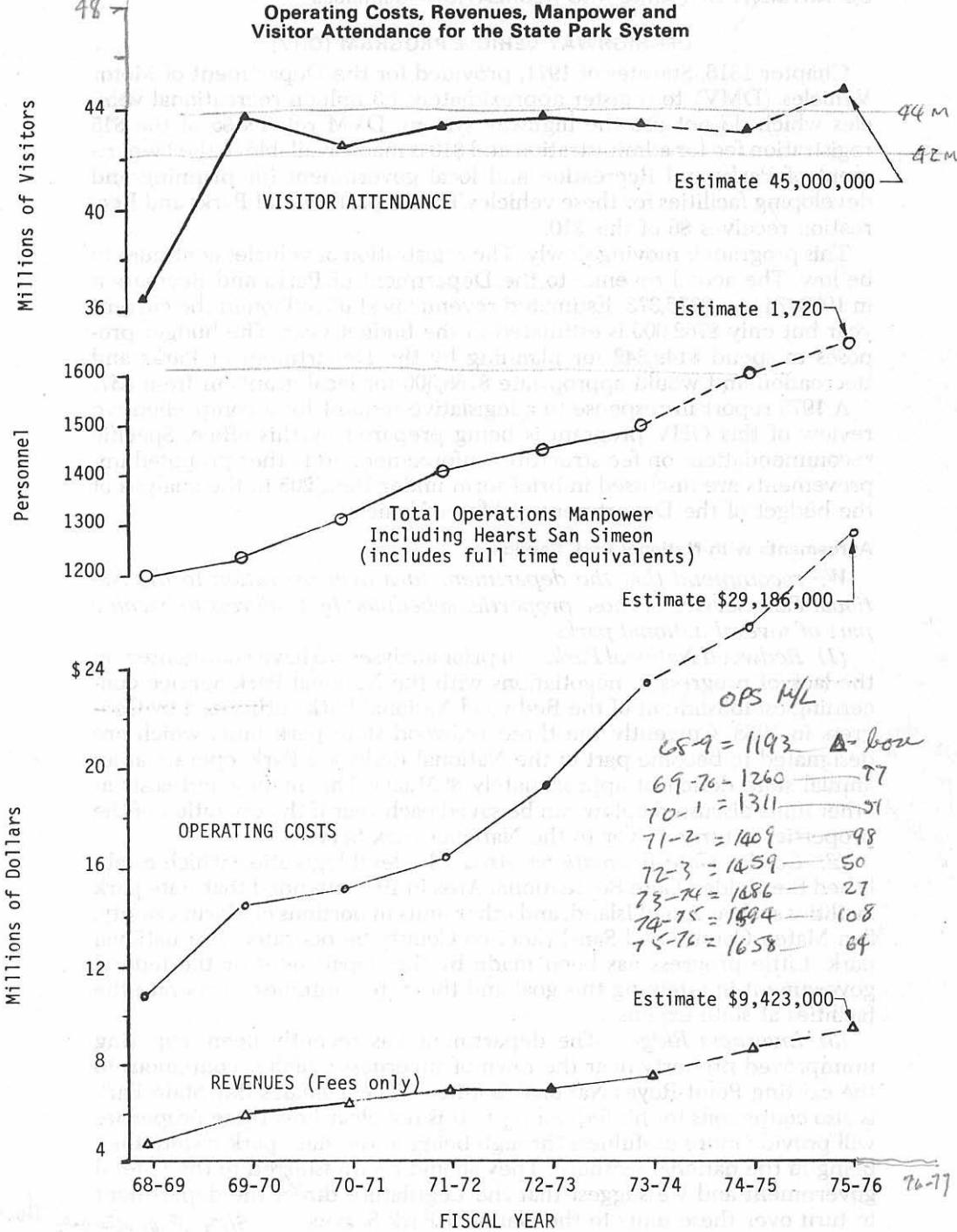
In view of the unrealistic anticipation of the acquisition and development of park units, some of the new 1975-76 positions may not be needed. We therefore recommend that the department review all the unfilled positions for the current year and the new positions requested for the budget year to conform the request for 1975-76 positions to the revised schedule of acquisition and development dates recommended under the analysis of the design and construction program.

Costs and Revenues

In last year's analysis a comparison of park operating revenues and expenses was made. This information has been updated in Figure 1. Figure 1 shows a continuation of the trends last year. Operating costs and manpower continue to increase rapidly while visitor attendance and revenues are increasing only slightly.

The increasing divergence between operating costs and personnel compared to revenue is indicative of (1) inflationary and cost-of-living effects on salaries, (2) increased numbers of personnel needed for maintenance functions due to more elaborate design and landscape features, (3) more visitor amenities, (4) environmental considerations such as sewage facilities, (5) higher personnel training and area management costs, and (6) the limited revenue increase.

FIGURE 1
Operating Costs, Revenues, Manpower and
Visitor Attendance for the State Park System



get copy of OHV

DEPARTMENT OF PARKS AND RECREATION—Continued**OFF-HIGHWAY VEHICLE PROGRAM (OHV)**

Chapter 1816, Statutes of 1971, provided for the Department of Motor Vehicles (DMV) to register approximately 1.3 million recreational vehicles which do not use the highway system. DVM retains \$5 of the \$15 registration fee for administration and \$10 is made available to the Department of Parks and Recreation and local government for planning and developing facilities for these vehicles. The Department of Parks and Recreation receives \$6 of this \$10.

This program is moving slowly. The registration of vehicles continues to be low. The actual revenue to the Department of Parks and Recreation in 1973-74 was \$376,373. Estimated revenue is \$1.06 million in the current year but only \$762,000 is estimated in the budget year. The budget proposes to spend \$149,242 for planning by the Department of Parks and Recreation and would appropriate \$768,500 for local grants in Item 257.

To DeGrazie
Victorville
Tulare
McGill
Walnut Creek

SF
4/28
open

W/M 5/1/75
to put in
language
to direct
de

U.S.
for
modern
will

SF 4/28
recent approp. balance → fee conform
W/M 5/2/75 put in language & recent unencumbered bal. as of Sept 1/75

A 1975 report in response to a legislative request for a comprehensive review of this OHV program is being prepared by this office. Specific recommendations on fee structure, enforcement and other proposed improvements are discussed in brief form under Item 205 in the analysis of the budget of the Department of Motor Vehicles.

Agreements with National Park Service

We recommend that the department turn over operation to the National Park Service of those properties scheduled by Congress to become part of several national parks.

(1) *Redwood National Park.* In prior analyses we have commented on the lack of progress in negotiations with the National Park Service concerning establishment of the Redwood National Park authorized by Congress in 1968. Currently the three redwood state park units which are designated to become part of the National Redwood Park, operate at an annual state deficit of approximately \$231,000. This money and costs at other units discussed below can be saved each year if the operation of the properties is turned over to the National Park Service.

(2) *Golden Gate Recreational Area.* Federal legislation which established the Golden Gate Recreational Area in 1972 intended that state park facilities such as Angel Island, and other units in portions of Marin County, San Mateo County and San Francisco County be operated as a national park. Little progress has been made by the department or the federal government in attaining this goal and the state continues to operate the facilities at state expense.

(3) *Inverness Ridge.* The department has recently been acquiring unimproved property near the town of Inverness which is contiguous to the existing Point Reyes National Seashore. The Tomales Bay State Park is also contiguous to this federal park. It is not clear how these properties will provide more usefulness through being in the state park system than being in the national seashore. They should be transferred to the federal government and we suggest that the Legislature direct the department to turn over these units to the National Park Service.

5/13 SF rescinded the
prior motion

SF 4/28 recent approp. balance → fee conform

W/M 5/2/75 put in language & recent unencumbered bal. as of Sept 1/75

4/28
SF
put over

Additional Operating Problems

(a) *Cabins at Steep Ravine.* In Section 28.65 of the 1974 Budget Act specific direction was given to the department to demolish 13 cabins in the Steep Ravine area of Mt. Tamalpais State Park. These cabins had been the source of numerous complaints because of alleged preferential treatment given to the tenants. The department requested but was denied a demolition permit by the North Central Regional Coastal Commission. The department is appealing the regional board's decision to the state commission.

ch for
latest
proposal

(b) *San Francisco Maritime Museum.* The state's collection of historic ships is located at the Hyde Street Pier in San Francisco. The pier is leased from the City of San Francisco. A plan to redevelop the harbor and waterfront of San Francisco around Hyde Street is currently being formulated by the Corps of Engineers and the City of San Francisco without recommendations from the department. The Corps of Engineers currently plans to demolish this pier which would leave the department without a place to exhibit its vessels.

We recommend deletion of the \$216,000 requested for water pumping at Lake Elsinore.

Gov fears drop in local economy

SF
4/28
put over

(c) *Lake Elsinore.* Lake Elsinore in Riverside County has had a recent history of water shortage due to low rainfall and reduced inflows. The department has installed pumps to augment natural inflows. The pumps cost approximately \$70,000 to operate in 1973 which was paid from boating fees. Chapter 896, Statutes of 1973, eliminated the use of fees to finance the pumping. The department advises that continuous operation of the pumps cannot keep up with evaporation losses, and that lacking major rainfall, the lake will dry up within the next few years. The department is now requesting \$216,000 to operate the pumps. This is an excessive amount for the boating benefits of Lake Elsinore and we recommend the funds be denied until a more economical plan is presented.

w & M
5/1
deleted
5/14

w & M

reversed

Department of Parks and Recreation

DWR request
144,000 A-ft is avail for sec. purposes on water projects, not for Elsinore
@ ~50-60 per A-ft + 10%
show as 100 A-ft total
Item 258-259 from the General Fund

leg's intent
possibly compromise this suppl. language to
possibly expand to specific leg's proposal.
limit

Budget p. 614

Requested 1975-76	\$2,263,481
Estimated 1974-75	2,285,953
Requested decrease \$22,472 (1 percent)	
Total recommended reduction	Pending

1975-1976 FUNDING BY ITEM AND SOURCE

Item	Description	Fund	Amount	Analysis page
258	Exposition and State Fair, Support	General	\$2,263,481	432
259	Appropriation of Revenues from Exposition and State Fair	General	2,502,930	—

recommend of substituted clause

— 5/1 w & M to add language 5/21 w & M expand our language

CALIFORNIA EXPOSITION AND STATE FAIR—Continued**SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS**

- | | |
|---|----------------------|
| 1. Establish Program and Policies. Recommend no appropriation be approved until programs and policies for 1975 Fair are included in budget. | <i>Analysis page</i> |
| | 433 |

ANALYSIS AND RECOMMENDATIONS

The California Exposition and State Fair began operations on the present site in June 1968. The structures were constructed and initial operations were conducted by a nonprofit corporation under the general supervision of the California Exposition and Fair Executive Committee. The Executive Committee was a state agency within the Department of General Services.

The gates were opened on an incomplete exposition facility intended to run 9 months of each year. Construction funds were exhausted, the time allowed for construction had ended, and private financing of exposition features was impossible due to the general adverse reaction to the status of Cal-Expo, as it is popularly known. The public showed little interest in Cal-Expo during the summer's operations. Attendance and revenues were negligible and operating losses accumulated.

Management Turnover

On September 30, 1968 the Executive Committee terminated the operating agreement with the nonprofit corporation and assumed full operating responsibility for Cal-Expo as a direct state operation. The administration and the Legislature thereafter began paying for large annual deficits because revenues did not cover operating costs and also started paying for \$1,130,000 annual debt service on \$13 million of revenue bonds sold to finance the structures at Cal-Expo.

Public interest in Cal-Expo continued at a low level and actually diminished in 1972 as a result of civil disturbances on the grounds. In 1973, Chapter 1152 abolished the Executive Committee and transferred all control over Cal-Expo to the Department of Parks and Recreation. With this transfer an appreciable increase in funding was provided. The 1975-76 budget request continues the higher level of funding provided in 1974-75 without significant change.

Basic Problems

Although the shift of Cal-Expo to the Department of Parks and Recreation was accompanied by much emphasis on new approaches, preparation of plans for future improvement or construction of facilities, and a return to the concept of the state fair, little change has occurred at Cal-Expo. The initial problems at Cal-Expo still remain and new ones have been added. These problems are:

1. Lack of population base in the Sacramento area to support either a major state fair or a nine-months exposition.
2. Lack of interest on the part of the population centers of southern California in traveling to Cal-Expo for a fair and/or the existence in southern California of attractions of equal or greater interest than the state fair

or an exposition.

3. Lack of local cooperation with Cal-Expo and refusal to consider coordination of the new Community Center with Cal-Expo.
4. Unsuitability of the structural designs and grounds at Cal-Expo for an agricultural fair.
5. Lack of a sound plan for a feasible program and facility from the initiation of construction at Cal-Expo.
6. Lack of funds to construct any additional facilities.
7. Lack of management personnel qualified to solve the problems at Cal-Expo.
8. Outside participation in the form of industrial exhibits and institutional sponsorship is not possible as long as attendance at Cal-Expo remains low.

Current Operating Conditions

During recent years several operating changes have occurred at Cal-Expo. These are:

1. Approximately \$2 million was expended to buy the Minirail system in lieu of paying prospective damages for state breach of contract because the state has operated Cal-Expo only as a fall fair rather than a nine-month exposition.
2. A contract was executed for spring harness racing by a private association using the Cal-Expo racing facilities. Due to losses last year, the harness racing may be discontinued.
3. A contract was executed for an amusement area (essentially a semi-permanent carnival) which has many problems now being litigated.
4. Cooperation with Ancorp, which holds a monopoly concession contract for all food and beverages at Cal-Expo, has improved but the contract still inhibits use of the Cal-Expo facilities by outside groups which would prefer to supply their own food and beverages.
5. Major and costly maintenance problems on the facilities have accumulated.
6. Surplus land at the Cal-Expo site has been sold by the state to eliminate the payment of interest on the obligations against the land. The development of this land has not appreciably enhanced any aspect of Cal-Expo to date.
7. Several minor capital improvements were made last year amounting to \$175,000.

Need to Establish Programs and Policies

We recommend that the Legislature not approve funds for Cal-Expo until the administration or the Legislature has established policies and programs for the 1975 fair to be included in the Cal-Expo budget.

In the last two years several extra appropriations were made to improve Cal-Expo. These appropriations and their relationship to revenues are difficult to describe because of changes in budget format, abolition of the State Fair Fund, and the unusual nature of some of the appropriations. Total expenditures have increased approximately \$635,000 (from \$4,474,000 in 1973-74 to \$5,109,000 in 1974-75) including some planning and minor capital outlay funds. The \$635,000 increase produced a revenue

CALIFORNIA EXPOSITION AND STATE FAIR—Continued

increase of \$49,000 in 1974-75 or approximately \$1 increased revenue for every \$12 of increased expenditure.

Included in the above increased expenditure was \$150,000 for larger racing purses. The 1974 fair produced an increase of \$266,000 in Cal-Expo's revenue from parimutuel wagering. While this is a substantial increase, it is only \$140,000 over the previous high in parimutuel revenues in 1970-71.

Amount of General Fund Subsidy

The amount of operating subsidy at Cal-Expo for 1975-76 is \$1,398,481, that is, a General Fund appropriation of \$2,263,481 minus revenue bond debt service of \$1,130,000 plus a \$265,000 grant from the Fair and Exposition Fund. This is approximately three times the subsidy level of several years ago. It was determined during budget hearings several years ago that a caretaker force at Cal-Expo would cost several hundred thousand dollars per year which was almost as much as the annual operating subsidy at that time. However, with the current higher level of subsidy, probably \$1 million per year could be saved after allowing for caretaker costs if Cal-Expo were to be closed. If the state were to dispose of the property, all the operating subsidy could be saved and perhaps the debt service on the bonds.

Two-Year Budget

Section 21.5 of the 1974 Budget Act contained an authorization for Cal-Expo to incur obligations for operating expenses up to \$500,000 in advance of the fiscal year in which an annual fair is held. Somewhat similar language authorizing up to \$1,500,000 in advance obligations was included in the 1973 Budget Act. Item 260 in the 1975 Budget Bill is similar to Section 21.5. To date none of the advance obligation authority has been used. This unusual authority to incur advance obligations was intended to be a partial implementation of the language in Chapter 1152, which directed that Cal-Expo be placed on a two-year budget to give it greater fiscal flexibility. A two-year budget is inconsistent with state budgetary processes and the directive for a two-year budget appears to be ineffective.

Inadequate Master Planning

The Department of Parks and Recreation has been directed to prepare a master plan for the completion or redevelopment of Cal-Expo. An incomplete five-year plan for Cal-Expo was published under date of November 1973. Pursuant to this document the Legislature added \$175,000 for minor capital outlay projects to the 1974 Budget Act. Meanwhile Item 337.1 of the 1973 Budget Act which appropriated \$255,000 to finish the interiors of Building Nos. 5 and 6 of the Exposition Center and \$75,000 for electrical improvements was reverted last year after only \$100,000 was expended. The interiors of Buildings Nos. 5 and 6 were not completed because there was no plan for their completion. There still is no general plan.

In view of the past history and the current conditions at Cal-Expo, it does not appear realistic to extend the current year budget as provided in the Governor's Budget without giving consideration to changes at Cal-

Expo. The budget should give some indication of the future policies and programs at Cal-Expo. We therefore recommend that the Legislature not approve funds for operation of Cal-Expo until the administration or the Legislature can arrive at some policy and program decisions for inclusion in the Cal-Expo budget.

**Department of Parks and Recreation
CALIFORNIA EXPOSITION AND STATE FAIR**

Item 260 from the General Fund

Budget p. 615

Requested 1975-76	\$500,000
Estimated 1974-75.....	None
Total recommended reduction	\$500,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

1. *Advance Expenditure Authorization. Delete \$500,000.* 435
Recommend deletion because similar appropriations have not been used in past years.

ANALYSIS AND RECOMMENDATIONS

We recommend deletion of the item in the amount of \$500,000.

This item is similar to control Section 21.5 of the Budget Act of 1974 which contained an authorization for Cal-Expo to incur obligations for operating expenses up to \$500,000 in advance of the fiscal year in which an annual fair is held. Somewhat similar language authorizing up to \$1,500,000 in advance obligations was included in the Budget Act of 1973. To date none of the advance obligation authority has been used.

This unusual authority to incur advance obligations was intended to be a partial implementation of the language in Chapter 1152, which directed that Cal-Expo be placed on a two-year budget to give it greater fiscal flexibility. A two-year budget is inconsistent with state budgetary processes and the directive for a two-year budget appears to be ineffective. We therefore recommend deleting the item.

**Resources Agency
RECLAMATION BOARD**

Item 261 from the General Fund

Budget p. 617

Requested 1975-76	\$302,762
Estimated 1974-75.....	289,779
Actual 1973-74	263,922
Requested increase \$12,983 (4.5 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Reclamation Board was created in 1911 to participate in controlling the floodwaters 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 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 to the Department of Water Resources.

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

Item 262 from the General Fund

Budget p. 619

Requested 1975-76	\$504,892
Estimated 1974-75.....	397,355
Actual 1973-74	332,887
Requested increase \$107,537 (27 percent)	
Total recommended reduction	Pending

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. Suisun Marsh Planning. Defer recommendation on commission's budget until Suisun Marsh planning is clarified.

GENERAL PROGRAM STATEMENT

The San Francisco Bay Conservation and Development Commission (BCDC) is charged with the continuing objectives of: (1) maintaining the San Francisco Bay plan based on current information and projections in order to protect the public interest in the San Francisco Bay; and (2) issuing permits for all filling or dredging in the bay, for changes in use in saltponds or other "managed wetlands" adjacent to the bay, and for any substantial change in use of property within 100 feet of the bay.

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

ANALYSIS AND RECOMMENDATIONS

The commission is budgeted to receive \$504,892 in support monies which is an increase of \$107,537. The commission has requested seven new positions as follows (two were administratively added in the current year for the maintenance dredging):

<i>Program</i>	<i>Positions</i>	<i>Fund Source</i>
Bay Plan Revision	2 assistant planners	General Fund
Suisun Marsh study	1 man-year temporary help	Environmental Protection Program Fund
Maintenance Dredging	3 man-years temporary help	Reimbursements from Resources Secretary
Bay Plan Enforcement	1 enforcement investigator	Federal

In addition, funds have been requested for two technical consultant contracts to make (1) an economic analysis of port and industrial uses of the bay waterfront at a cost of \$40,000 and (2) for an environmental analysis of regional port planning at a cost of \$20,000. The commission should assure that the port planning is coordinated with the Transportation Plan of the Department of Transportation.

**SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION—
Continued**

Suisun Marsh Planning

We defer recommendation on the commission's budget until the Suisun Marsh Planning work has been clarified.

Pursuant to Chapter 1486, Statutes of 1974, BCDC is to prepare for submission to the Legislature and the administration a plan for the protection of the Suisun Marsh ecology. The plan must be submitted by December 1, 1976. This budget provides for expenditure of \$95,000 appropriated by Chapter 1486 at the rate of \$38,900 in the current year and \$34,600 in the budget year.

A review of the proposed planning effort by BCDC on the Suisun Marsh indicates that various legal, economic and planning skills are proposed to be hired for varying periods of time. It is not clear what precise planning objectives are to be met, what problems are to be solved and what BCDC should do to relate to the planning work that the Department of Fish and Game will also do pursuant to Chapter 1486. We therefore defer recommendation on the commission's budget request until better information on its Suisun Marsh planning effort is available.

Resources Agency

DEPARTMENT OF WATER RESOURCES

Item 263 from the General

Fund

Budget p. 621

Requested 1975-76	\$16,691,000
Estimated 1974-75.....	16,601,062
Actual 1973-74	14,894,833
Requested increase \$89,938 (0.5 percent)	
Total recommended reduction	\$86,142

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Environmental River Studies.* Reduce by \$86,142. Recommend elimination of low-priority environmental and management studies. 439
2. Water Quality Planning Overlap. Recommend Legislature direct Resources Secretary to coordinate water quality planning being performed by Department of Water Resources and Water Resources Control Board. 440

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 alternative 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 1975-76 Budget request is essentially a workload budget with the department's operating costs and expenses increased in accordance with the Department of General Services estimate of inflation.

Eliminate Low-Priority Environmental River Studies

We recommend deletion of \$86,142 for environmental and management studies on the Mad River and on an unspecified river.

California rivers which are to be evaluated to protect extraordinary scenic, recreational, fishery and wildlife values were specified in Chapter 761, Statutes of 1971, and the California Wild and Scenic Rivers Act (Chapter 1259, Statutes of 1972). In these acts the Legislature directed the Resources Agency to prepare management plans for the rivers. Within the Resources Agency, the Waterways Management Planning unit has been working on the management plans for about two years. The last plan is presently scheduled for completion in fiscal year 1980-81.

In the current year the Department of Water Resources began an environmental and management study on the Van Duzen River as an experimental effort to develop techniques of gathering data on a river environment. Twenty-three resource characteristics such as soils, vegetation and timber will be inventoried and mapped. Whether the experiment will be effective and sufficiently useful to the extent of extending the program to other rivers has not yet been determined and must await completion of further work.

In the budget year, the department proposes to extend the experimental program to the Mad River and to a river which it has not yet designated. The cost is \$86,142 from the General Fund. This extension conflicts with legislative policy in two ways. First, the Mad River is not one of the rivers designated by the Legislature to receive priority attention to protect extraordinary scenic, recreation, fishery and wildlife values. Second,

DEPARTMENT OF WATER RESOURCES—Continued

the Legislature designated the Resources Agency to undertake the studies and not the department.

We have evaluated the draft plan prepared by its Waterways Management Planning unit for the Smith River (See Item 214, page 365). Our evaluation indicates that there should be more emphasis upon the development of management techniques to protect the general values of river system and less emphasis on identification of specific resources. On this basis, it does not appear that the mapping of environmental resources by the Department of Water Resources would be too valuable to Waterways Management Planning, especially considering the \$86,000 cost for the Van Duzen River.

Water Quality Planning Overlap

We recommend that the Legislature direct the Secretary of the Resources Agency to review the jurisdictional overlap between the department and the State Water Resources Control Board in water quality planning, and to coordinate their work to eliminate any duplication or voids in their activities.

The Department of Water Resources, and its predecessor entities, have been responsible for water quality and water supply planning for many years. Chapter 832, Statutes of 1929, directed the Division of Water Resources to prepare a coordinated plan for the conservation, development and utilization of the state's water resources. Chapter 370, Statutes of 1943, adopted the plan and designated it as the "State Water Plan". In 1951 the division prepared Bulletin No. 1 entitled "Water Resources of California" and in 1955 prepared Bulletin No. 2 entitled "Water Utilization and Requirements of California".

Chapter 52, Statutes of 1956, established the present Department of Water Resources. The department issued Bulletin No. 3 entitled "The California Water Plan" in 1957. Chapter 2053, Statutes of 1959, adopted Bulletins 1, 2 and 3 as the California Water Plan. The department updates the plan every four years through the Bulletin 160 series which is, in simple terms, a comparison of estimated future water supplies and future demands considering water quality and other factors. In addition, the department has undertaken many special studies of water problems, including surface and underground water quality in various problem areas of the state.

The State Water Resources Control Board became involved in water quality planning only within the last five years. In 1969 the role of the board was changed from primarily regulation and enforcement of waste water discharges by the Porter-Cologne Water Quality Control Act. The act required the board to undertake planning for water quality as a basis for its regulation. In 1970 the federal government also required comprehensive water quality plans be prepared to provide a basis for receiving and expending federal grants for the construction of sewage treatment plants. In California, the board was authorized to prepare the plans. The plans are called basin plans and are intended to be guides for the management of water quality problems. The board states it has expended about

\$8 million for the basin plans. The basin plans are being prepared by contractors who are working for the board. The Department of Water Resources is one of the contractors. The plans are to be completed by the end of the current fiscal year.

The jurisdictional overlap between the department and the board in the water quality area has been increasingly evident for several years. It involves the emergence of the Water Resources Control Board as both a regulatory body and a major planning agency. For this and other reasons there has been a lessening of the department's role in planning. Until recently the overlap has been more theoretical than real. The overlap has not been directly expressed but essentially duplicating expenditures are now contained in the Department of Water Resources budget.

Each year the department prepares a detailed statement of its programs. In the 1975-76 statements, the department has indicated for the first time, that it is now assessing and will continue to assess basin plans of the State Water Resources Control Board. The statement indicates that the department will expend \$130,400 on such assessments in the current fiscal year and that it is proposing to expend \$207,609 in the budget year.

While it is clear that both the board and the department have responsibilities in the water quality area, the department's program statements indicate a failure of the department and the board to properly cooperate in the water quality planning area. In addition the board's basin plans will be completed in the current year and submitted to the federal government. The department proposes to spend substantial monies to evaluate the plans after completion.

Because water quality planning is of significant importance and significant state monies are expended on it, the state's activities should be well coordinated. Therefore, we recommend that the Secretary of the Resources Agency review the jurisdictional overlap between the department and the board in the water quality planning area, coordinate this work, and eliminate any duplication or voids in their activities.

Management Staffing

As a result of the decline in State Water Project construction, the total number of employees in the department has been reduced about 45 percent from the peak employment year of 1967-68 to the current year. Management staffing has been reduced about 29 percent. Management staffing did not increase in exact proportion to the total number of employees. It also need not decrease in exact proportion to the total number of employees. Nonetheless, management staffing must be kept in reasonable relationship to the total number of employees.

Last year in the Analysis, we indicated that the department appeared to be having trouble in reducing management staffing. We indicated that if the department could not carry out the difficult task of reducing management costs, then the Legislature might have to do so again as it did in 1971.

In the budget year, the department is proposing a decrease in management staffing of 10.2 positions which brings management staffing to 226.2 positions. The reduction consists of a series of scalebacks in positions bud-

DEPARTMENT OF WATER RESOURCES—Continued

eted for almost all the management functions. Simultaneously, the department is proposing an increase in total departmental man-years of 58.3 positions which will bring total staffing to 2634.2 positions. Although the department has achieved a minimum acceptable level of management reduction, it must continue these efforts.

Resources Agency**DEPARTMENT OF WATER RESOURCES
(Subventions for Flood Control)**

Item 264 from the General Fund

Budget p. 628

Requested 1975-76	\$6,000,000
Estimated 1974-75.....	6,000,000
Actual 1973-74	11,673,300
Requested increase, None	
Total recommended reduction	None

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. Congress has required local interests to sponsor projects and to participate financially by paying for the costs of rights-of-way and relocations. In California prior to 1973 the state, through the Department of Water Resources, reimbursed the local interests for the cost of rights-of-way and relocations. In California after 1973, rights-of-way and relocation costs for a given project will be shared between the state and the appropriate local agency as provided by Chapter 893, Statutes of 1973.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The total state cost of all projects authorized since the program's inception in 1946 is estimated by the department to be about \$225 million. This represents an increase of \$17.7 million since January of last year. Of the \$225 million, approximately \$154 million will have been paid at the end of the 1974-75 fiscal year, leaving a future state obligation of about \$71 million. 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. The department estimates that the \$6 million request should be sufficient for the budget year.

Resources Agency
DEPARTMENT OF WATER RESOURCES
(Levee Vegetation Subventions)

Item 265 from the General Fund **Budget p. 628**

Requested 1975-76	\$200,000
Estimated 1974-75.....	200,000
Actual 1973-74	37,768
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

Chapter 995, Statutes of 1973, authorized the state to reimburse local agencies maintaining levees under the State Water Resources Law of 1945 for 50 percent of the direct costs of planting and maintaining vegetative cover for wildlife, recreational, scenic and aesthetic purposes. The necessary vegetative cover is to be determined by the Department of Water Resources or the Reclamation Board, according to their respective geographic jurisdictions.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Chapter 995 appropriated \$200,000 per year from specified revenues accruing to the Reclamation Board. These board revenues would otherwise go to the General Fund. The Budget Bill proposes to appropriate \$200,000 directly from the General Fund in lieu of the \$200,000 from Reclamation Board revenues. There is no change in the program.

STATE WATER RESOURCES CONTROL BOARD

Requested 1975-76	\$6,924,991
Estimated 1974-75.....	6,977,659
Actual 1973-74	5,486,211
Requested decrease \$52,668 (.8 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

1. Information Management System. Recommend proposed contract with Department of Water Resources for the preparation of a feasibility study/implementation plan for the board's water data system be expanded to include (1) 444

STATE WATER RESOURCES CONTROL BOARD—Continued

- review of the conceptual framework of the entire data system, and (2) comprehensive work plan by which the system is to be developed.
2. Manager. Recommend one of the new Information Management System positions be a management position. 446

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 function 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.

In 1970, and again in 1974, the electorate authorized the sale of \$250 million in state general obligation bonds for allocation by the State Water Resources Control Board primarily for grants for the construction of new sewage treatment plants, interceptor and collector lines, and sewage outfalls. The bond proceeds are continuously appropriated to the Water Resources Control Board for grants and loans, as provided by the board.

**Analysis and Recommendations
Information Management System**

We recommend that the proposed contract with the Department of Water Resources for the preparation of a feasibility study/implementation plan (FSIP) for the board's water data system be expanded to include (1) a review of the conceptual framework of the entire data system and how the parts of the system are interrelated, and (2) a comprehensive, work plan for the information management system.

Amendments to the Porter-Cologne Water Quality Contract Act in 1971 directed the board to prepare and implement a statewide water quality data storage and retrieval system. This information program will be coordinated and integrated to the maximum extent practicable with other state agencies. The need for a coordinated and integrated data system was further increased due to the water quality reports mandated by federal amendments (PL 95-500) to the Federal Water Pollution Control Act.

The conceptual framework of the board's current approach to the data system was developed in 1973 in "Report No. 2" entitled "Implementation of an Information Management System". Many of the continuing problems the board has had with the system (called IMS) can be attributed to shortcomings in this conceptual report. The report makes two proposals

(1) a data system to meet the "needs of both the state and regional boards", and (2) development of a data system in the form of eight major subcomponents called modules.

Integrated System Lacking

In our 1974-75 Analysis we criticized the first proposal's failure to develop a statewide system which was coordinated and integrated with other state agencies. A subsequent report entitled "A Dynamic Program of Implementation for an Automated Information Management System" retained the essential structure of Report No. 2 and still did not provide for a coordinated and integrated system. For example, there is no water supply/reservoir module as needed by the Department of Water Resources.

The second proposal in Report No. 2 is the concept that the system should consist of eight major subcomponents called modules. The module concept made the system overly complicated by breaking it into seemingly unrelated parts which are to be developed and operated independently. For example, dairy waste water information is handled by a different computer program than general waste dischargers; yet a dairy is just a special type of waste water discharger. Another example is that the ambient water quality measurement for lakes is proposed to be in a separate computer program from general water quality measurement; yet monitoring of lake water quality is just a special case of surface water quality. The board's approach lacks a solid conceptual framework.

In addition, the board does not have a well developed work plan. After two years of work, the board has not actually evaluated its data needs and those of the regional boards and other state agencies. Also, the board has not yet properly evaluated existing uses of data and existing data handling systems. For example, the Department of Water Resources has the largest amount of water data and the largest computerized water data system, but none of the board's reports discuss or evaluate the department's system to any meaningful extent. Finally, the board's reports have only discussed the general requirements of Public Law 92-500. There is no detailed analysis to show how much of the data currently being collected and processed by state agencies is required by the federal government, how much new data is necessary, and what additional state reporting systems will be needed.

Proposed Contracts

Within recent weeks, the board has indicated that it will be entering into two contracts with the Department of Water Resources which may cover major parts of the above problems. The first contract would provide that the department operate its own water quality data system to meet the board's intermediate data needs and to train board staff in the use of the department's water data system. The second contract would use the department to prepare a feasibility study/implementation plan (FSIP) for the board's IMS for submittal to the Department of Finance's EDP Control unit.

The two contracts have the potential to alleviate some of the problems discussed above. However, it is not clear that the proposed contracts are

STATE WATER RESOURCES CONTROL BOARD—Continued

sufficiently broad to solve the major problems. Therefore we recommend that the Legislature direct that the proposed contract with the department for the preparation of the FSIP be expanded to include (1) a review of the conceptual framework of the entire IMS and how the parts or modules are interrelated, and (2) a comprehensive work plan to develop the IMS.

Management Position

We recommend that one of the five new positions for the data system unit be an information management administrator to be responsible for the board's information management system.

In the past, the board has not used data processing to any appreciable extent and as a result, it has not developed a significant EDP staff capability. Most of the water related EDP work in the past was undertaken by the Department of Water Resources.

The increased involvement by the board in EDP, through the IMS, requires added technical positions. The budget requests five EDP positions. Because of the significant management and policy problems the board has been having with the IMS and the significance and the size of the IMS work, we recommend approval for the positions. However, one position should be a management position, responsible for the overall system.

Resources Agency**STATE WATER RESOURCES CONTROL BOARD**

Item 267 from the State Clean

Water Fund Grants Adminis-
tration Revolving Fund

Budget p. 649

Requested 1975-76	\$3,624,000
Estimated 1974-75.....	220,000
Total recommended reduction	None.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Prior to September 1974, the costs to the State Water Resource Control Board for administering applications by local agencies for state and federal sewage treatment grants were funded from the General Fund, the Clean Water Bond Fund and from an Environmental Protection Agency grant to the board. Local agencies made no payment for grant administration.

Chapter 804, Statutes of 1974, provided that local agencies receiving state and federal grants for sewage treatment facilities shall pay a grant administration fee to the State Water Resources Control Board. The fee was made a local cost which is eligible for inclusion in the grant. The purpose of Chapter 804 was to accelerate the processing of grant applications by providing more funds for board staff. Federal and state grant

funds are available before grant applications can be processed for payment. The acceleration of grant processing should permit earlier payment for, and construction of sewage treatment plants. It is hoped thereby to reduce the effects of inflation on the amount of construction which can be undertaken with the fixed amount of grant funds available.

Grant administration fees are placed in the State Clean Water Grants Administration Revolving Fund. Chapter 804 specified that expenditures to be made by the board must be appropriated in Budget Act. This item makes that appropriation. According to the board, the amount requested in the budget is sufficient to meet the program needs in the budget year.

Health and Welfare Agency OFFICE OF EDUCATIONAL LIAISON

Item 268 from the General

Fund	Budget p. 653
Item 268.....	206,396
Available from Chapter 1176, Statutes of 1973	35,845
Requested 1975-76	\$242,241
Estimated 1974-75.....	239,573
Actual 1973-74	216,708
 Requested increase \$2,668 (1 percent)	
Total recommended reduction	\$242,241

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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| <ol style="list-style-type: none"> 1. <i>Transfer Functions.</i> Delete \$206,396 proposed in Item 268 and revert to the General Fund, \$35,845 estimated to be available from Chapter 1176, Statutes of 1973. Recommend transfer of functions of office to Departments of Health and Education. 2. Child Development. Recommend the \$3,672,000 proposed in Item 269 for Child Development programs be appropriated to the Department of Education and the \$1 million from Chapter 1173, Statutes of 1973, be allocated to Department of Health. | <i>Analysis
page</i>
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GENERAL PROGRAM STATEMENT

The Office of Education Liaison (OEL) within the Health and Welfare Agency was established by the Child Development Act of 1972 (Chapter 670, Statutes of 1972). It has served as the main contact for communication and coordination between the Health and Welfare Agency and the Department of Education for programs relating to comprehensive child development services.

Chapter 1176, Statutes of 1973, established the Song-Brown Family Physician Training Act which has as its intent the encouragement of a greater supply of competent family physicians. The OEL does this by providing