

**Department of Motor Vehicles
DEFICIENCY PAYMENTS**

ITEM 165 of the Budget Bill

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

Amount requested ----- \$350,000
 Estimated to be expended in 1957-58 Fiscal Year ----- 350,000
 Increase ----- None

RECOMMENDED REDUCTIONS ----- None

ANALYSIS

The Department of Motor Vehicles is supported from special funds appropriated and cannot use the Emergency Fund. It is impossible for a department of this size with its many functions to foresee and budget for unknown emergencies. Therefore, we feel that an amount of money should be available to this department to be used to cope with such emergencies.

For the Fiscal Year 1957-58, the amount of \$250,000 was requested for this purpose. This amount was increased to \$350,000 by legislative action. To date, \$158,621 has been expended primarily to carry out provisions of new laws enacted by the Legislature for which no funds were provided.

The amount requested is the same as provided for the current year and we recommend approval.

DEPARTMENT OF FISH AND GAME

ITEM 166 of the Budget Bill

Budget page 417

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

Amount requested ----- \$8,348,694
 Estimated to be expended in 1957-58 Fiscal Year ----- 8,123,542
 Increase (2.8 percent) ----- \$225,152

Summary of Increase

	INCREASE DUE TO			Budget Line page No.
	Total increase	Workload or salary adjustments	New services	
Salaries and wages -----	\$87,596	\$87,596	--	431 32
Operating expense -----	64,422	64,422	--	431 34
Equipment -----	80,604	80,604	--	431 36
Less increased reimbursements -----	-7,470	-7,470	--	431 59
Total increase -----	\$225,152	\$225,152	--	

RECOMMENDED REDUCTIONS ----- None

GENERAL SUMMARY

The Department of Fish and Game which was created through the provisions of Chapter 715, Statutes of 1951, is charged with responsibility of managing, developing and conserving the State's natural and exotic wildlife. Management includes research for management techniques, habitat improvement, artificial production and release of certain

Department of Fish and Game—Continued

species, law enforcement for wildlife protection and recommendations for harvesting of surplus wildlife.

Because of increases in and emphasis changes on departmental programs, this agency's expenditures have exceeded income for approximately six years. In recognition of this factor as well as of the probable necessary expansions attributable to increased population demands, the Legislature afforded the department an increased income through a revenue measure enacted during the 1957 Regular Session which increased certain hunting and fishing fees.

It is estimated that Chapter 1887, Stats. 1957 will result in an increased revenue to the Department of Fish and Game in the amount of \$3,178,000 in a full fiscal year operation according to the following schedule:

<i>License classification</i>	<i>Fee</i>	<i>License buyers</i>	<i>Fee increase</i>	<i>Additional revenue</i>
Fishing				
Sport fishing:				
Pacific Ocean only-----	\$3	168,000	None	--
General (inclusive of steelhead trout and all other specie of fish except other trout)-----	4	630,000	\$1	\$630,000
All purpose -----	5	574,000	2	1,148,000
Commercial fishing -----	15	10,000	5	50,000
Hunting				
Resident hunting -----	4	650,000	1	650,000
Deer tags -----	2	475,000	1	475,000
Pheasant tags -----	2	225,000	1	225,000
Total additional revenue-----				\$3,178,000
(Total angling license sales (estimate) 1,400,000)				
Effect of Chapter 1887, Statutes 1957, on Fish and Game Preservation Fund in Fiscal Year 1957-58 Only				
Angling licenses to be effective January 1, 1958				
Hunting licenses to be effective July 1, 1958				
Additional revenue as a result of Chapter 1887, Stats. 1957 in Fiscal Year 1957-58:				
Hunting—Pheasant tag increase to be effective during pheasant season of 1957-----				\$225,000
Angling				
Average percentage of total fishing license sales January 1 to June 30:				
Angling, 65 percent of estimated additional revenue from full fiscal year operation-----				1,155,700
Commercial, 50 percent of estimated additional revenue from full fiscal year operation-----				50,000
To be applied against estimated 1957-58 deficit-----				\$1,430,700
Currently estimated deficit in Fiscal Year 1957-58-----				1,277,019
Estimated income over expenditure on application of income from Chap. 1887 during Fiscal Year 1957-58-----				\$153,681
Estimated condition of Fish and Game Preservation Fund on June 30, 1957-----				2,736,739
Estimated condition of Fish and Game Preservation Fund on June 30, 1958-----				\$2,890,420
Reserved for Fish and Game Departmental Functional Survey-----				100,000
Net condition of Fish and Game Preservation Fund on June 30, 1958--				\$2,790,420

Department of Fish and Game—Continued

It will be noted that anticipated income from this measure considerably exceeds expenditures proposed for Fiscal Year 1958-59. However, the Legislature indicated, in approving the increased fees, that in allowing a buffer to accumulate in the Fish and Game Preservation Fund for a period of time, new or expanded programs deemed necessary by the Legislature as well as normal operating increases of the department could be absorbed for several years before a critical financial condition would again develop. Had the Legislature provided for only sufficient increases to meet current demands, trends clearly indicate that reappraisals for provisions to defray the expenses of the department would have been necessary again in the budget year unless services were curtailed to a great extent.

In approving a license increase the Legislature directed that \$100,000 of the additional moneys received as a result of that measure should be used for a contract study of the organization, policies and programs of the department. The contract for this study was to be let by the Joint Legislative Budget Committee, which has been done, and the study is now under way. The firm making the study has indicated that it will contract with qualified individuals and firms where necessary to thoroughly cover the wildlife economics and management procedures involved.

Inasmuch as this study is to be completed for presentation to the Legislature at the 1959 Regular Session, this analysis will make no specific recommendations for major reductions or program changes pending findings of the study.

The accelerated water developments in the State plus the growing concern over the various types of pollutants in the state waters have served to emphasize the activities and importance of the department's water projects section. Interim committees have called on the specialized knowledge of the department frequently and this agency is receiving increased support in carrying out these activities.

In the budget year the department proposes to continue its other functions on generally the same level.

One major reorganization was effected in the current year in the marine fisheries activity which has now been designated the Marine Resources Section and operates much as though it were another region in the department. The change was effected without any increase in personnel and resulted in more systematic and co-ordinated control of fiscal activities, research projects and equipment usage.

ANALYSIS

In the budget year this agency is requesting \$8,348,694 which is an increase of \$225,152 or 2.77 percent over that estimated to be expended in the current fiscal year.

This increase is attributable primarily to normal salary adjustments and to a lesser extent to the proposed addition of one fisheries manager II for Region I and two pollution analysts, one each for Region III and V. All of these are based upon increased workload. Water storage facilities existing and under development in Region I have increased tremendously over the past few years. These must be continuously in-

Department of Fish and Game—Continued

spected to insure compliance with the department's minimum flow standards for maintaining fish life in streams below these structures. Increased industrial plant expansion, mining and timber operations require continuous water quality inspections to insure maintaining suitable habitat for fish life. The water pollution control boards require certain standards which, in many cases are not sufficiently stringent for fish and game purposes. For this reason the department must keep the board apprised of its requirements in each individual case to insure that the discharge stipulations established by the board reflect the department's needs.

Although we have serious reservations about the existing pheasant and predator control programs of the department, and discussed these in last year's analysis, we will not make specific recommendations in this analysis pending the results of the current study in progress.

Our office met in joint conference with the Department of Fish and Game to screen equipment requests of this agency. After careful review, it was determined that \$21,437 could be deleted from the fish and game equipment budget without hampering the department's operation. This deletion is reflected in the final equipment proposal shown.

The increase of \$80,604 in equipment in the budget year over the current fiscal year is primarily due to increased replacement of automotive equipment which was screened and approved by Automotive Management.

As was mentioned in the summary of the analysis of this agency, the department proposes to continue all of its activities on generally the same level, and we therefore recommend approval of the budget as submitted.

Economies and Improvements Requiring Legislation

Chapter 1887, Statutes of 1957, which provided for an increase in fish and game license fees, also specified that commissions to agents for selling fish and game licenses, tags, etc., would remain at \$0.15 per sport fishing or hunting license, \$0.50 per commercial fishing license, and \$0.05 per license tag or permit, which is 5 percent of the fees, before enactment of Chapter 1887.

This office has previously expressed the view that agent commissions are not necessary because the sale of licenses and tags actually serves to enhance an agent's business through additional commodity sales incidental to the purchase of the licenses, and we feel that Chapter 1887 in not allowing the then prevailing rate of commissions to increase with the license fees is a step in the right direction.

However, as worded, Chapter 1887 has created a problem in the accounting function of the department in that cumbersome forms and checks and balances have had to be initiated to conform with the license agent commission section of that chapter. Heretofore, the agent merely totalled his license, tag and permit sales, computed his commission by taking 5 percent of this volume which he retained, remitting the remainder to the department. Under the new provision the agent must first count the number of each type of license, tag or permit, record them individually, multiply by the amount of commission allowed on

Department of Fish and Game—Continued

each category, combine these totals, subtract this amount from the total money volume of all sales and remit the remainder to the department. This new method, which is the simplest devisable under the provisions of Chapter 1887, leaves a considerable margin for individual errors. The full impact of this schedule and resulting problems will not be felt until 1958 when the new fishing, hunting and deer tag licenses and fees become effective. The department's experience has been confined to the pheasant tags which were increased from \$1 to \$2 for the 1957 pheasant hunting season while the commission for those tags remained at \$0.05 each. As a result of the added arithmetic required of the license agents, the department has found itself compelled to issue many rebate checks for a few cents or bill them for small amounts because of miscalculations by the agents. This has placed an additional load on the department's accounting function.

To attempt to counteract this situation the department has requested additional temporary clerical help in the regions as well as in the department and has also requested additional calculators for these positions. For the budget year these additions will approximate \$10,000.

The department estimates a total income of \$10,683,005 from license, tag and permit sales in the 1958-59 Fiscal Year, during which period all new fees will be in effect. On the basis of average annual increase in license sales and maintaining agent commissions at the levels specified in Chapter 1887, the department estimates the agent commissions to be \$354,800 in the budget year. The estimated agent commissions are 3.31 percent of the estimated volume of sales for the budget year as compared to 5 percent prior to the enacting of this chapter.

Therefore, it is our recommendation that legislation be considered to establish the agent commission at 3 percent of the total volume of sales by the agents rather than continuing the present cumbersome method.

It is felt that by establishing this percentage, accounting for both the agent and the department will be considerably lessened. In the case of the department, savings will be reflected in elimination of additional temporary help and equipment. The margin for error will be considerably reduced, obviating the necessity for frequent correctional check remissions and billings by the department.

We feel that the 3 percent of volume sales recommended is in line with the intent of the bill based on license sales history, and strongly urge this legislation to benefit both the State and the license agents.

Department of Fish and Game

GAME MANAGEMENT IN CO-OPERATION WITH THE FEDERAL GOVERNMENT

ITEM 167 of the Budget Bill

Budget page 433

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

Amount requested	\$309,988
Estimated to be expended in 1957-58 Fiscal Year	293,815
Increase (5.5 percent)	\$16,173
RECOMMENDED REDUCTIONS	None

Game Management—Federal Government Co-operation—Continued
ANALYSIS

This program, commonly referred to as the Pittman-Robertson Program, is supported to the extent of 75 percent by the Federal Government and 25 percent by the State. California has been participating since 1940 and has at present 15 active projects of which five have research, eight developmental, one land and one co-ordination designations. It must be borne in mind that those designations are appended by the federal officials according to their interpretation of the projects.

The department has conducted a detailed study of each project and has found that many so-called research projects are actually management projects but because of the federal interpretation, they do not qualify as management. In fact, a good portion of each research project has been found to be both management and maintenance. In following the directives of the Legislature along the lines recommended in our analysis of this item for the 1957-58 Fiscal Year, the department examined each Pittman-Robertson project to determine if any adjustments could be made in them by shifting certain authorized expenditures from the support budget to the federal aid budget. Of the total anticipated expenditure of \$1,209,100 in the current fiscal year, according to interpretations of the activities within each project by the department and concurred with by representatives of the Department of Finance and this office in joint conference, it was determined that the following is a fairly accurate breakdown of the combined projects by activity:

	<i>Amount</i>	<i>Percent</i>
Development -----	\$532,420	44.0
Research -----	301,970	25.0
Management -----	205,860	17.0
Maintenance -----	128,050	10.5
Co-ordination -----	40,800	3.5
Totals -----	\$1,209,100	100.0

To comply with the recommendations of the Legislature, the department transferred six positions with their related expenses from the support budget to the federal aid budget, and further indicated that changes in the federal aid program will include a greater emphasis on management, development and maintenance activities.

The federal regulations require that any project authorized by the federal agency and initiated by the State must be carried through to completion if the State is to be reimbursed by the Federal Government. In the event that the State discontinues the project prior to completion or fails to comply with the stipulations of the project, the State must bear all of the expense and reimburse the Federal Government any amount paid by it to the State on that project.

This factor was a deterrent to requesting cessation of any current project not deemed critically necessary at this time. However, future projects will be carefully screened to insure continued compliance with the aforementioned legislative directive.

The amount proposed for the 1958-59 Fiscal Year represents the State's 25 percent share of the total Pittman-Robertson program. The

Game Management—Federal Government Co-operation—Continued

5.5 percent increase requested is to provide full utilization of the increased federal moneys made available for the use of this State, and we therefore recommend approval of this item as budgeted.

Department of Fish and Game**FISHERIES MANAGEMENT IN CO-OPERATION WITH THE FEDERAL GOVERNMENT**

ITEM 168 of the Budget Bill

Budget page 437

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

Amount requested	\$87,887
Estimated to be expended in 1957-58 Fiscal Year	83,115
Increase (5.7 percent)	\$4,772

RECOMMENDED REDUCTIONS None**ANALYSIS**

This program, more popularly known as the Dingell-Johnson Program, was initiated by the Federal Government in 1950 and California first participated in the 1951-52 Fiscal Year.

The projects under this program were scrutinized by the department in joint conference with representatives of the Department of Finance and this office to insure compliance with a legislative directive similar to that indicated previously in our analysis of the Pittman-Robertson Program. This review determined that management activities accounted for a total of 42.4 percent of the five research projects engaged in by marine resources under this program. It was similarly determined that management activities accounted for 35.6 percent of the five federal-aid projects engaged in by inland fisheries.

These findings indicate that it is easy to misconstrue the objective of a particular project merely by its federal designation. It is understood that the project letter designation of "R" for research, "D" for development, etc., will be dropped by the Federal Government so that projects will not be incorrectly identified by the public.

To attempt to abide by the legislative directive to relieve the support budget of expenditures which the federal authorities would accept for inclusion in current federal aid projects, and to place a greater emphasis on management projects, marine resources has proposed an "Ocean Fish Habitat Development" project to supplant a formerly planned research project and has modified its Northern California Marine Sport Fish Survey to place a greater emphasis on management. One position was transferred from the support budget to this project which, with salary and operating expenses, amounted to approximately \$6,500.

In the inland fisheries federal-aid investigations, four have been reduced a total of \$13,800 which moneys have been transferred to the "Stream and Lake Improvement" project which consists of 98 percent management activities. Of the transferred amount, \$7,000 will be used to buy chemicals necessary for this project which were formerly pur-

Fisheries Management—Federal Government Co-operation—Continued

chased from the support budget. Also, a warm water forage survey formerly carried in the support budget has now been transferred to the federal-aid budget.

In our opinion the department has made a concerted effort to abide by the Legislature's directive to relieve the support budget of expenditures which qualify for inclusion in existing and newly initiated Dingell-Johnson projects and more effort is being made toward changes in emphasis from research to management where justified.

The increase in the State's share of 5.7 percent proposed in the budget year again reflects increased amounts of federal moneys made available to the State. We recommend approval of this item as submitted.

**Department of Fish and Game
PACIFIC MARINE FISHERIES COMMISSION**

ITEM 169 of the Budget Bill

Budget page 441

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

Amount requested	\$17,900
Estimated to be expended in 1957-58 Fiscal Year	17,900

Increase	None
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RECOMMENDED REDUCTIONS None

ANALYSIS

The Pacific Marine Fisheries Commission was initiated in 1947 to carry on a co-ordinated program of management and conservation of offshore fisheries by the States of Washington, Oregon and California.

This commission has directed studies of ocean species and ocean conditions common to the economy of all three states and has received voluntary contributions of co-operation from other government agencies. Its contribution to the management of many species of the ocean has already been felt and its value documented.

We recommend approval of the item.

**Department of Fish and Game
KELP BED INVESTIGATION**

ITEM 170 of the Budget Bill

Budget page 441

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

Amount requested	\$50,000
Estimated to be expended in 1957-58 Fiscal Year	50,000

Increase	None
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RECOMMENDED REDUCTIONS None

ANALYSIS

The kelp bed investigation was initiated in 1956 and will probably be continued two years beyond the budget year as proposed at the inception of the study.

Kelp Bed Investigation—Continued

Following a recommendation by this office that expenditures be detailed and that a specific planned program related to these expenditures be submitted to the Legislature for its review, such material was provided. The budget detail indicated that salaries would consume \$39,590, supplies and expense \$6,910 and equipment and facilities \$3,500, totaling \$50,000, the budgeted amount.

The study at present is proceeding along lines to secure information relative to the basic biology of the kelp. To secure this information three specific fields of investigation are being followed, (1) experimental ecology of the kelp beds, (2) physiology and biochemistry of kelp, and (3) growth and reproduction of kelp. In the budget year a fourth phase will be initiated concerned with fish life and its relation to the beds.

Considerable basic data has been accumulated to date on the phases mentioned above. Kelp beds have been catalogued and their conditions noted. However, little has been done to date on the effects of pollution on kelp beds other than general observation. At the inception of this study the department indicated that the pollution phase was being contemplated by the State Water Pollution Control Board, and the board has indicated that it has contracted with Institute of Marine Resources of the University of California at a level of approximately \$20,000 a year for this purpose.

This study is apparently progressing as anticipated. We recommend approval of this item as submitted.

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

ITEM 171 of the Budget Bill

Budget page 443

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

Amount requested	\$168,771
Estimated to be expended in 1957-58 Fiscal Year	135,783
Increase (24.3 percent)	\$32,988

RECOMMENDED REDUCTIONS None

ANALYSIS

The Marine Research Committee was formed in 1947 to consist of nine members, five representing the commercial industry, at least one to represent the sporting interests and one to represent organized labor.

The committee has engaged in specific areas of research to answer problems relative to the ocean fisheries. It has expanded its field of investigation beyond its initial attempt to determine the cause of depletion of the California sardine population. The committee has noted a better than average spawning survival of the sardine which should produce greater production in future years. It also has determined definite relationships of salinity and temperature on various marine species so that predictions of abundance of certain species can be made years in advance. This, of course, is very valuable to both the commercial and sports interests.

Marine Research Committee—Continued

The budgeted increase of 24 percent in the 1958-59 Fiscal Year over the current period is primarily attributable to an increase of emphasis on the measurement of spawning populations by the United States Fish and Wildlife Service which performs contract services for the State.

The activities of the committee are supported by a tax levied on licensed fish packers and processors at a rate of five cents for each one hundred pounds or fraction thereof on sardines, Pacific mackerel, jack mackerel, squid, herring and anchovies whether purchased, received or taken. This tax has been continued for an additional two years through Chapter 1459 of the 1957 Session. It is estimated that \$143,000 will accrue to the committee through these taxes in the budget year, and the committee will have an accumulated surplus of \$241,815 as of July 1, 1958.

The committee's activity is an important contribution to obtaining knowledge of the ocean fisheries for the direct enhancement of the State's economy. We recommend approval of this item as submitted.

**Department of Natural Resources
DIVISION OF ADMINISTRATION**

ITEM 172 of the Budget Bill

Budget page 446

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

Amount requested	\$368,353
Estimated to be expended in 1957-58 Fiscal Year	355,161
Increase (3.71 percent)	\$13,192

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages	\$20,165	\$20,165	---	447 28
Operating expense	7,637	7,637	---	447 43
Equipment	516	516	---	447 45
Less increased reimbursements ..	-15,126	-15,126	---	447 59
Total increase	\$13,192	\$13,192	---	

RECOMMENDED REDUCTIONS None

GENERAL SUMMARY

The Division of Administration was created by administrative order in 1927. It performs housekeeping functions for the other divisions of the Department of Natural Resources in varying degrees as well as for the California Public Outdoor Recreation Plan Committee and the State Water Pollution Control Board on a pro rata reimbursement basis. For budgetary purposes, the director, deputy director and related executive staff of the department are included in this request for funds.

During the current fiscal year the division received authorization to establish an accounting officer IV position and an intermediate stenographer-clerk to absorb increased workload attributable to expansions

Division of Administration—Continued

in the divisions which receive housekeeping services from this unit as well as assumption of services for other functions established during the 1957 Regular Session and these positions are continued in the budget year as proposed new positions.

The first increment of a tabulating system was authorized for the current fiscal year and additional units are proposed for acquisition and lease in the budget year. When the complete system is operable it will facilitate a comprehensive expenditure analysis of units within the department so that all costs incidental to the development of specific parks, beaches, etc., can be detailed for review. Such a system is considered very desirable for comparative analyses, economic evaluation and future programing.

ANALYSIS

The division proposes an increase of \$13,192 in the budget year. Although salary adjustments and the addition of one bookkeeping machine operator to cope with increased workload account for a total increase in salaries and wages of \$20,165 and increase in operating expenses and equipment account for approximately \$10,000 more, these increases are partially offset by an increase in reimbursements of \$15,126 reflected in the contract services for other divisions.

The increase in operating expenses is primarily attributable to an accelerated contractual legal service which is a co-operative effort between the division and the Department of Finance to expedite the processing of legal documents, contracts, etc. The Department of Natural Resources has benefited from this joint effort and it is felt that continuation is justifiable.

In view of the additional administrative services this division has assumed with basically the same staff we recommend approval of the budget for the Division of Administration as proposed.

**Department of Natural Resources
EXHIBIT AT STATE FAIR AND EXPOSITION**

ITEM 173 of the Budget Bill

Budget page 448

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

Amount requested	\$3,400
Estimated to be expended in 1957-58 Fiscal Year	4,760
Decrease (28.6 percent)	\$1,360

RECOMMENDED REDUCTIONS

None

ANALYSIS

This item provides the necessary amount to defray the cost of the Natural Resources exhibit at the State Fair in Sacramento chargeable to the division supported by the General Fund.

Exhibit at State Fair and Exposition—Continued

Necessary additional expenditures to make structural changes requested by the board governing the exhibits were provided in the current fiscal year, and this budget is based upon a return to the normal total cost of \$5,000. The special fund divisions of the department contribute \$1,600 to the display leaving a net of \$3,400 to be defrayed from the Fair and Exposition Fund.

We recommend approval.

Department of Natural Resources
DIVISION OF BEACHES AND PARKS

ITEM 174 of the Budget Bill

Budget page 448

**FOR SUPPORT OF DIVISION OF BEACHES AND PARKS FROM THE
STATE BEACH AND PARK FUND**

Amount requested ----- \$6,627,026

Estimated to be expended in 1957-58 Fiscal Year ----- 5,915,769

Increase (12 percent) ----- \$711,257

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages -----	\$516,009	\$429,967	\$86,042	453 40
Operating expense -----	327,794	316,742	11,052	453 42
Equipment -----	—131,546	—140,562	9,016	453 44
Less increased reimbursement ---	—1,000	—1,000	—	453 50
Total increase -----	\$711,257	\$605,147	\$106,110	

RECOMMENDED REDUCTIONS

Reduction in budgeted increases ----- \$106,110

Improved efficiency and policy reappraisal ----- 31,786

Total reductions ----- \$137,896

Summary of Recommended Reductions

No.	Position in	Amount	Budget Page	Line
	Maintenance and Operation:			
2	Junior landscape architects -----	\$11,832	450	69
5	Drafting aids II -----	22,560	450	79
	Related operating expenses -----	500	451	35
	Related equipment -----	1,500	451	37
4	Assistant construction inspectors -----	24,240	450	67
	Related operating expenses -----	10,052	451	35
	Related equipment -----	7,516	451	37
1	State park ranger III -----	5,496	450	70
	Related operating expenses -----	500	451	35
	Development:			
1	Architectural assistant -----	6,360	452	6
1	Assistant landscape architect -----	6,060	452	7
1	Junior drafting aid -----	4,194	452	8
1	Temporary help -----	5,300	452	9
	Reservoir Planning:			
2	State park rangers V -----	16,224	452	58
1	Assistant landscape architect -----	7,356	452	60
	Related operating expenses -----	8,206	452	78
	Total recommended reduction -----	\$137,896		

Division of Beaches and Parks—Continued
GENERAL SUMMARY

The Division of Beaches and Parks is the state agency vested with the responsibility of acquiring, establishing, developing, operating and maintaining the extensive state park and beach system and the riding and hiking trails.

The division's field activities are carried on by six districts encompassing 148 beach, park and state historical monument units. The State Park System has expanded very rapidly in the last few years as a result of substantial appropriations by the Legislature. On December 1, 1957, the division had encumbered or spent \$9,173,015 of the currently active appropriation of \$41,885,470 available for acquisition of new areas or expansion of existing state park units, leaving \$32,712,455 available for expenditure on specifically designated areas. The majority of the moneys provided for these purposes were appropriated by the Legislature in the 1956 and 1957 sessions, amounting to a total of \$39,144,145. Most of these appropriations remain available for expenditure only until June 30, 1961, however, the division estimates that it will be able to complete negotiations on those projects approved by the commission before this deadline.

Although it is estimated that specific appropriations for beaches, parks, state historical monuments, roadside rests and riding and hiking trails of \$32,712,455 will still be unencumbered on June 30, 1958, we calculate that such expenditures must be made from an estimated surplus of \$10,774,806 on that date plus accruals to the division from the State Lands Act Fund in subsequent years up to the end of the 1960-61 Fiscal Year. Although the Legislature increased the ceiling on accruals to the State Beach and Park Fund from \$7,000,000 to \$12,000,000 through the provisions of Chapter 2367, Statutes of 1957, the actual amount to be allocated to the division is directly dependent upon oil revenues. It is estimated that the division will receive only \$7,791,578 in the current fiscal year. Assuming that the full \$12,000,000 will be received by the division in subsequent years (which is extremely doubtful because of the lessening activities in the oil fields), the division would receive a total of \$36,000,000 by June 30, 1961. This amount, plus the \$10,774,000 it is estimated will be available on June 30, 1958, will provide \$46,774,000 for expenditure by the division. However, it is estimated that the division will need approximately \$21,800,000 for its support during that period plus \$10,500,000 for development of newly acquired areas for a total of \$32,300,000 of expenditures exclusive of any acquisitions authorized by existing appropriations. This leaves only approximately \$14,400,000 for acquisitions to be applied against the appropriations for this purpose in the amount of \$32,712,455. Therefore, if no additional moneys are made available to the division, either plans to expend 60 percent of the appropriations for acquisition must be ignored, or division support and development expenditures must be drastically curtailed.

Since it would appear that the legislative intent was to expand the State Park System, we feel that all effort should be made toward acquiring areas for which appropriations have been made within available

Division of Beaches and Parks—Continued

funds, while holding development and, consequently, operating expenditures at a bare minimum. Although it is virtually impossible to acquire all authorized areas within available funds before the fund availability times expires, more areas will be acquired in this manner than if the division develops and operates each area as it is acquired. Since the present complement of the land acquisition section will be able to encumber all funds available for this purpose after continuing support expenditures are deducted, before June 30, 1961, at the present rate, it is recommended that this section as well as all other functions of the division be held at the current level and that no development moneys be expended until June 30, 1961, except those critical for the functioning of areas presently open for public use.

No doubt the State will receive criticism for not opening new areas as they are acquired, however, it is felt that it is better to obtain these areas now for future development than to risk not obtaining them at all because of lack of funds resulting from diverting available moneys to expansions in support and development expenditures on each new area acquired.

A management survey made by the Department of Finance for the Department of Natural Resources on the various administrative problems of the Division of Beaches and Parks, made several recommendations with which we are in accord. The most important of the recommended changes were suggested code revisions which would effect a transfer of direct administrative control over the division from the State Park Commission to the Department of Natural Resources. As we have pointed out in recent years, this change is needed so that the director can co-ordinate the activities of his department for more effective integration of the various natural resources functions. The commission would be continued as an acquisition and policy making body.

The report further recommends a greater decentralization of activities in the division headquarters to provide for three major functions, which are operations, technical services and auxiliary services. The first two functions are to be administered through a deputy chief for each, and the latter is to be under the control of an administrative service officer. This recommendation is also felt to be sound in order to aid in eliminating dual supervision and confusion in line relationships and reporting procedures.

Another recommendation in which this office concurs is the recommendation to combine the land planning and development planning sections of the division, leaving the land acquisition section as a separate function. The report bases its recommendation on the premise that planning will proceed more smoothly if such a step is taken since it would parallel suggested district planning. To support this recommendation further, we have found what we believe is a distinct waste of state funds in the following procedure. The land planning and acquisition section surveys a proposed area, draws up plans based on that section's concept of the proper land use of the area and recommends park "taking lines" for acquisition. Following acquisition, the new area is turned over to the development section for planning for

Division of Beaches and Parks—Continued

actual improvements to the area. The land planning section's drawings, surveys, etc., are ignored and for the most part are "scrapped" as the development planning section starts anew on planning the same area. The end result produces a plan generally out of accord with the initial plan with recommendations for diverse land uses and "taking lines."

The Department of Finance's recommendation for further decentralizing park planning to the districts is considered valid but care must be taken to insure that duplication of staffing does not result. Only a skeleton crew of administrative personnel for perusal of final plans established in the field should be retained at headquarters with the remainder in the existing development section to be reassigned to the district offices.

However, the division's plan is to reassign the rangers in the land planning section and then staff the districts to conform with the Department of Finance recommendation. These rangers were formerly in the reservoir planning section which the division absorbed administratively into the land planning and acquisition section during the current fiscal year (this situation will be discussed further in this analysis). The responsibility for overseeing development and land planning on the district level should be placed under the particular classification the division feels is capable of performing this function; however, it is absolutely mandatory that the new and expanded area plans leave the districts as finished products to be merely reviewed for conformance to division standards and cataloging of specifications for providing necessary information on the division level.

ANALYSIS

The division proposes to expend \$6,627,026 in the budget year which is \$711,257 or 12.02 percent more than the \$5,915,769 estimated will be expended in the current fiscal year.

This increase is attributable in part to merit salary adjustments and increased costs; in part to increased workload related to the opening of newly developed areas; and in part to what we believe is an increased level of service.

The following comments will be confined to the particular positions which seem to represent a new or increased level of service according to the function in which these services appear.

Maintenance and Operation

This section, which provides for the district headquarters and park unit operations, proposes an increase in the budget year of \$582,787 or 13.8 percent over the \$4,230,819 estimated to be expended in the current fiscal year. We feel that all but \$84,196 of this increase can be justified on the basis of increased workload resulting from the operating of six newly developed areas in the budget year and the need for additional help to cope with increased public use of existing state park areas.

The division is proposing to add two junior landscape architects and five drafting aids II to district headquarters. This is to further relieve

Division of Beaches and Parks—Continued

existing district planners of increasing workload resulting from the development planning decentralization concept.

We are in accord with the principle for which these men are requested but do not agree that they should be secured from outside the division. In line with our previous comments, we feel that these men should be reassigned from existing division headquarters positions to the districts where needed to effect true decentralization. In any event, we feel that the division should present a specific plan for decentralization, utilizing existing staff to the fullest in making this change. It would be illogical to add staff until such a plan could be presented supported by workload data for both the division and district levels of planning responsibility. *For this reason we recommend the deletion of the five drafting aids II for a salary savings of \$22,560 and the two junior landscape architects for a salary savings of \$11,832 as well as operating expenses and equipment related to these seven positions of \$500 and \$1,500 respectively for a total savings of \$36,392.*

The division is also requesting four assistant construction inspectors, one each to be stationed in Districts 2, 3, 4 and 6 to provide more divisional inspection of new developmental projects as well as routine surveys of existing facilities. We feel that not only would these positions provide an increased level of service which should not be allowed because of the division's critical funding condition but basically they are not justified because of other related conditions. On projects which are developed under contract with the Division of Architecture, inspection services are provided by that agency, and development work on smaller projects accomplished by Division of Beaches and Parks personnel, by Division of Forestry honor camp inmates or by local contracts are generally of sufficiently simple nature that park superintendents can easily provide the cursory inspection necessary. *We, therefore, recommend the deletion of these positions for a savings in salaries of \$24,240, in operating expenses of \$10,052 and in equipment of \$7,516 for a total savings of \$41,808.*

The division is requesting a state park ranger III to perform development planning of a specific reservoir area in the budget year. We are not in accord with the division that this position should be added. As we have noted in the General Summary, we agree that development planning should be decentralized to the districts, but we disagree with the concept of decentralization evidenced by the division. There are two basic factors which we feel should be seriously considered and which indicate that this requested position should not be allowed.

First, in decentralizing planning from division to district headquarters it was our impression that the suggestion of the Department of Finance concurred with by our office was to decentralize existing development planners of which there are a sufficient number currently in the division headquarters for distribution among the districts. If such is effected, this position should not be allowed since it will provide an unwarranted increase in the level of service. If the position were added, it would represent a new service as well since planners have

Division of Beaches and Parks—Continued

never been added to be specifically tied to an individual project for which this position is proposed.

Secondly, the Legislature created a section for reservoir planning in the division, and one reason the division offers for absorbing this section into its other activities is the lack of workload on this section and the increased workload in other functions. The development planning of this reservoir in question should be a product of the Reservoir Planning Section. It should be pointed out that there exists a recreation plan for the area being considered. We feel that the development details can be delineated by the existing staff, that no development staff should be added to the present complement until the affect of decentralization with existing staff can be evaluated and we, therefore, *recommend the deletion of the proposed state park ranger III position from the budget for a savings of \$5,496 in salaries and wages and approximately \$500 in operating expenses for a total savings of \$5,996.*

Development

This section proposes an increase of \$37,808 or 8.3 percent in the budget year over the \$456,691 estimated will be expended in the current fiscal year.

The increase is primarily attributable to the proposed addition of an architectural assistant, an assistant landscape architect, a junior drafting aid and one man-year of temporary help presumably on the basis of workload.

However, we recommend deferring the request for additional personnel in the Development Planning Section until the decentralization of existing personnel from division to district headquarters can be evaluated.

Also, in line with our preliminary remarks, to make more money available for acquisition, development of newly acquired areas must be held to a minimum. Development planning workload is based upon planning for areas to be acquired or which have just been added to the State Park System, and is not to be considered as workload necessary to continue the existing level of service to the public.

For these reasons *we recommend the deletion of the four new positions proposed for the development section for a savings in salaries and wages of \$21,914.*

Land Section

This section proposes to expend \$485,097 in the budget year which is an increase of \$96,780 or 24.9 percent over the estimated expenditures in the current fiscal year.

However, this does not constitute an addition to the basic function of the land section but rather the creation of a new function of "project investigation" which it is proposed will absorb all existing personnel in the Reservoir Planning Section. The division states that the program of reservoir studies is now nearly completed and has, therefore, assigned the men who constituted that section to investigating new areas for additions to the park system. We feel that this new function is unnecessary and involves a service already being performed by the Development Planning Section, and therefore constitutes a waste

Division of Beaches and Parks—Continued

of state funds. We, therefore, *recommend that the nine positions proposed for the Land Planning Section be disallowed and transferred back to the Reservoir Planning Section to be utilized as recommended in the discussion under that heading. This transfer will effect no savings in the budget but will reduce the budget for land planning to its current level with merit salary and cost adjustments for a total of \$403,311.*

Reservoir Planning

This section was specifically authorized by the Legislature through an addendum to the division's budget in the 1956 Budget Session to survey existing and proposed large reservoir projects to determine their suitability for the State Park System and to initiate acquisition proceedings to save the State from inflated land prices which generally occur upon development of such areas.

We feel that the Legislature desired this to be a specific function of the division and was not to be absorbed into its other activities. However, apparently the division did not so interpret this item and, as noted previously, has absorbed this section into other of the division's activities and at present is reassigning the reservoir planners to district headquarters to supervise all land and development planning within the districts. This creates a problem of reduction of emphasis on reservoir planning because of the broader scope of responsibility being assigned to these men.

The Department of Water Resources is defraying the cost of one reservoir planner assigned to that agency, and is also requesting additional moneys in the budget year for contract with the Division of Beaches and Parks for recreation planning on reservoirs on which this information is needed by the department. We feel that this is a commendable step and will insure planning for the benefit of the general public.

The Department of Water Resources has budgeted \$22,400 for the 1958-59 Fiscal Year to be allotted to the Division of Beaches and Parks for recreational planning around reservoirs being constructed through the department. Even though the workload of the Reservoir Planning Section has reduced according to the division, it is reasonable to assume that planning will be needed to a certain extent on existing and proposed federal and private reservoirs.

In line with our previous recommendations concerning the placement of this section, the disposal of the "Project Planning Section" and comments regarding decentralization, the net effect of our proposal would be to *reduce the appropriation for the Reservoir Planning Section from \$81,786 to \$50,000 for a savings of \$31,786. To effect this savings in line with the current and anticipated workload, we recommend the deletion of two state park rangers V and one assistant landscape architect at a salary savings of \$23,580 with related operating expenses of \$8,206 for a total savings of \$31,786.*

Equipment

In joint conference with the Division of Beaches and Parks, the Department of Finance and our office, the consensus of the group re-

Division of Beaches and Parks—Continued

sulted in a deletion of equipment items from the budget, not tied to requested new positions, in the amount of \$303,245, which decreased the original equipment request of the division by approximately 45 percent.

Department of Natural Resources
DIVISION OF BEACHES AND PARKS

ITEM 175 of the Budget Bill

Budget page 453

FOR SUPPORT OF ROADSIDE REST PROGRAM FROM THE
STATE BEACH AND PARK FUND

Amount requested	\$100,000
Estimated to be expended in 1957-58 Fiscal Year	50,000
Increase (100 percent)	\$50,000

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$40,000
Improved efficiency and policy reappraisal	None
Total reductions	\$40,000

ANALYSIS

The Legislature first authorized the development of roadside rests in California in the 1956 Budget Session.

The program has now been initiated with the construction of three roadside rests on Highway US 66 between Barstow and Needles and one is under construction in Northern California. The division estimates that there will be approximately 30 units in operation by June 30, 1958. This is considerably less than the 70 rests which it previously estimated would be completed in the current fiscal year. The program met some delays attributable to differences of opinion as to size of these units and the facilities to be provided. In the budget year the division has estimated that an additional 30 units will be completed to bring to a total of 60 the number of rests which will be in operation at the close of the budget year. These units are costing the State from \$1,500 to \$11,000 to construct, depending upon the availability of land, existing facilities, degree of land preparation, etc. It is planned to provide restroom facilities at the majority of the rests, and a canvass of many states engaged in this program revealed that most states considered such facilities to be a desirable adjunct to roadside rests.

The next 47 units to be constructed are to be in the central Sierra section primarily along the west slope of the Sierra. These rests will be serviced by various agencies. Some are near existing state parks; others will be serviced by Division of Forestry personnel or inmates from honor camps, and still others will be maintained through a service agreement with the U. S. Forest Service.

Although the Division of Highways' maintenance stations were fairly close to the three operating desert sites, that agency proposed a minimum maintenance agreement to service those three units for \$30,950 annually, which would average \$10,317 for each of these three units. Since this was disproportionate to the work required, the Division of

Division of Beaches and Parks—Continued

Beaches and Parks decided to provide its own maintenance in that area. However, the division's estimate of \$21,500 or \$7,167 per unit per year also appears extravagant, especially since the division proposes twice daily policing of two of these units and once daily for the third. A canvass of other states indicated more of a tendency toward biweekly servicing. This appears more logical and is based upon actual experience. It is true that in the event future rests are located in the general area, the unit cost of maintenance will be reduced, but the division should make an adjustment at this time to bring the cost of maintaining these units within reasonable limits. It was stated by the division that some effort was made to secure contract service from persons in nearby desert communities but without success. In our opinion, it is inconceivable that someone in Daggett, Amboy, or Ludlow would not service these units for considerably less than \$7,000 per unit per year.

The division has indicated that the \$50,000 available for maintenance of the 30 units to be completed in the current fiscal year is sufficient. The additional units are to be maintained by state park personnel where convenient, by Division of Forestry personnel where convenient, and by U. S. Forestry personnel. The Division of Forestry has already indicated that it will perform such maintenance at a minimum cost because of its desire to co-operate, its cognizance of the value of these rests, and its recognition of such maintenance as a desirable in-camp project for its personnel. The U. S. Forest Service has indicated a desire to co-operate since such rests will reduce roadside problems in the national forests. From all indications, maintenance costs for the next 47 units will be reasonable.

The division is requesting \$100,000 to maintain the proposed 60 rests. Since these rests will not be completed for use at the beginning of the budget year, and some adjustment must be made for the maintenance of the desert sites, and since all indications are that the planned rests will receive maintenance through co-operative agreements primarily, it is recommended that the division be allowed an average of \$1,000 per rest per year until a definite history of maintenance experience can be presented to support any increase.

Since 60 rests are planned for completion by the end of the budget year, this would provide the division with \$60,000 for a reduction in proposed maintenance costs of \$40,000.

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

ITEM 176 of the Budget Bill

Budget page 454

**FOR PREPARATION OF TOPOGRAPHIC MAPS IN CO-OPERATION WITH
THE U. S. GEOLOGICAL SURVEY, FROM THE STATE BEACH AND
PARK FUND**

Amount requested	\$20,000
Estimated to be expended in 1957-58 Fiscal Year	None
Increase	\$20,000

Division of Beaches and Parks—Continued

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$20,000
Improved efficiency and policy reappraisal	None
Total reductions	\$20,000

The division proposes to contribute \$20,000 toward the preparation of large scale topographical maps of park areas in San Diego County by the U. S. Geological Survey in the same manner as the Division of Mines participates with the survey.

It is our understanding that these maps are to cover primarily the Anza-Borrega State Park which consists of some 427,000 acres to aid in the delineation of boundaries to support trespass cases and to provide more detailed area coverage for development planning.

Although it is desirable to apprehend trespassers, the need for such maps for that purpose is questionable since survey data must be available to correlate with acquisition taking lines.

Furthermore it is inconceivable that development planning cannot proceed without topographic maps of larger scale than is available, inasmuch as appraisals of desirable locations must be made on the ground.

This request clearly constitutes an increase in service and cannot be considered critical to the continued development and operation of this huge area. The total program would cost the state \$40,000. It is a new program which should not be considered in the budget year in any event and although the maps being prepared for the Division of Mines through the Geological Survey are of smaller scale than desired by the Division of Beaches and Parks they can certainly be utilized to a degree of satisfaction. We, therefore, *recommend the deletion of this item from the budget for a savings of \$20,000.*

The VIIIth Winter Olympic Games

The Legislature first indicated its support of the 1960 Olympic Winter Games to be held in Squaw Valley, California, by authorizing an expenditure of \$1,000,000 by the provisions of Chapter 124, Statutes of 1955. To administer this money as directed in the chapter, the Governor appointed the California Olympic Commission on September 13, 1955.

The commission implemented the preplanning necessary for formulating programing by retaining an architectural and engineering firm. This firm then submitted its preliminary plans with supporting documents to indicate that an additional \$4,000,000 was necessary to provide all facilities on a temporary construction basis required for the staging of the games. Chapter 124, Statutes of 1955, which provided the initial \$1,000,000 for the staging of the games, was passed by the Legislature under the impression that this was all the public money that was necessary. The subsequent engineering report clearly indicated that the \$1,000,000 would not be sufficient to construct all facilities necessary to satisfy the requirements of the International Olympic Committee. On the basis of this report the Legislature appropriated \$4,000,000 additional money to the California Olympic Commission by Budget Item 413, Budget Act of 1956.

Division of Beaches and Parks—Continued

This amount was also to be expended in accordance with the provisions of Chapter 124, Statutes of 1955, and in addition specified that a contract was to be executed between the California Olympic Commission and the Division of Beaches and Parks for the latter's disposal of the state-owned Olympic facilities by sale or lease following the games. It further specified that the net revenue from all sources, including but not limited to television, radio, concessions, admission tickets, etc., is to be credited to the State Park Fund, the source of the appropriations for the Olympics. It was not until after the \$4,000,000 had been approved by the Legislature that the International Olympic Committee declared that the games had officially been awarded to California.

Following this appropriation, the California Olympic Commission retained an additional architectural firm to ascertain definitely the physical location of the facilities for the 1960 Winter Olympiad on the site chosen. This firm made its plans on the assumption that the facilities would be of a permanent nature rather than temporary as initially envisioned by the Legislature. This firm estimated the total amount necessary for site preparation and construction of the entire Olympic area on a permanent basis to be \$7,989,415 as compared with the \$4,982,000 estimated by the first firm for the same facilities on a temporary basis.

The Legislature again made an appropriation for the games by the provisions of Chapter 1069, Statutes of 1957, in the amount of \$2,990,000, thus bringing the total so appropriated to \$7,990,000, the entire amount having as its source the State Park Fund. These moneys were appropriated without regard to fiscal year to carry the games through to completion.

Chapter 1069, Statutes of 1957, stipulated that the facilities were to be constructed on a permanent basis; that following the games, all interests of the California Olympic Commission are to be turned over to the State Park Commission for inclusion of these facilities in the State Park System, and further that the California Olympic Commission is empowered to obtain through the right of eminent domain any properties needed for the proper execution of the games if such action is found to be necessary.

To date, work at Squaw Valley includes a new lift on Papoose Peak with a 1,200-foot vertical rise; the flood control lake area has been excavated; Squaw Creek has been realigned and the channel deepened to the boundary of private property; the 400-meter speed skating rink has been graded; the Olympic Village area has been graded and the foundations have been completed for the dormitories as well as for the press and administration buildings; concrete piers have been built for one bridge across Squaw Creek; the hill for the ski jump has been cleared of trees and an ammunition cache has been built to house the 75 mm. ammunition to be used for avalanche control.

The California Olympic Commission has determined that it needs 130 acres of private land for snow compaction parking under a short term leasing arrangement in addition to the approximately 66 acres deemed necessary by the commission for the sewage disposal plant, the flood control basin, the ski jump outrun and certain easements and rights of

Division of Beaches and Parks—Continued

way, and condemnation proceedings have been initiated to secure these lands from private ownership.

Originally, the commission had planned to establish parking areas at the intersection of Highway 89 with U. S. Highways 40 and 50 and to provide shuttle buses to and from these parking areas and the games site; however, the Division of Highways, the California Highway Patrol and the bus companies determined that this method was not practical and would create many more problems than allowing direct access to the games site to the people desiring to attend. For this reason the parking area in Squaw Valley had to be expanded to accommodate the expected number of cars, and access roads into the area had to be widened, which accounts for the request for the additional 130 acres referred to above.

At this writing, the flood control basin area only has been acquired. It has been decided further that if satisfactory negotiations for the sewage disposal site cannot be consummated, the commission will construct a complete sewage treatment facility in the area of the Olympic Village. Current cost estimates indicate the latter to be a more expensive undertaking unless land costs at the initially considered area exceed expectations. In any event it is presumed that satisfactory arrangements can be made to circumvent existing stumbling blocks if negotiations fall through on land acquisition so that the holding of the games will not be affected.

The estimate for construction costs for permanent operation of the Olympic site made by the project architects was \$7,989,415. To date \$7,990,000 has been appropriated, which just covers the estimated construction cost. No provision was made for the support of the California Olympic Commission except by wording of Chapter 124, Statutes of 1955, whereby any moneys appropriated to the commission can be used for the purposes of the commission for carrying the games through to completion. Since capital outlay will require all moneys appropriated, obviously the support expenditures of the commission must be provided from another source. Until capital outlay and support expenditures combined exceed the appropriated amount, support expenditures can come from available funds, but when these funds are exhausted, support expenditures will be defrayed from revenue applicable to the games, such as pregames ticket sales. Because it is estimated that capital outlay will require all funds appropriated, pregames ticket sales must also be used to replace the amounts expended for the support of the commission since its inception.

There have been a few changes in the original plans for developing the game site, including the decision to delete the bobsleigh run because of lack of expected participants, as well as one ski lift which was found to be unnecessary for the staging of the games. Savings from these two projects are expected to be utilized for acquisition moneys not originally included in cost estimates, for expansion in housing facilities to provide accommodations for game officials in conformance with an International Olympic Committee requirement, and to construct and widen access roads from the facilities to State Sign Route 89. It was

Division of Beaches and Parks—Continued

originally planned that Placer County would perform this latter project but the county found that it was financially unable to do so.

To our knowledge, California's commitment to provide lodging, round-trip fare and board for all athletes depositing \$500 with the commission for this purpose is the first time any country has so done. It is estimated that the State will absorb a loss of some \$280,000 by this subsidy. Constructing the Olympic Village facilities for contestants also constitutes another expensive first in the history of winter olympiads.

**Financial Data—Expenditures of the California Olympic Commission
June, 1955-December, 1957**

Salaries and wages -----	\$39,508
Operating expenses -----	86,595
Capital outlay -----	371,401
Apportionment to organizing committee * -----	818,909

Total expenditures of COC -----	\$1,316,413
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* The organizing committee is the body which actually initiates contracts for the completion of the games facilities and administers the games. Comprising the \$818,909 expended by the committee through December, 1957, are expenditures of:

Salaries and wages -----	\$79,781
Operating expenses -----	145,869
Capital outlay -----	593,259

Total -----	\$818,909
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Appropriations to date amount to \$7,990,000, leaving a balance of \$6,673,587 against which nonexecuted contracts of \$2,478,584 have been committed for a net fund availability of \$4,195,003 on January 1, 1958.

The commission estimates total expenditures needed to consummate the games will require \$12,588,417.

To defray these expenditures the commission submits the following schedule:

1. Appropriations by California Legislature -----	\$7,990,000
2. Appropriations by Nevada Legislature -----	500,000
3. Admissions receipts -----	3,097,000
4. Spectator centers and concession receipts -----	385,000
5. Ski lift operation -----	40,000
6. Program receipts -----	65,000
7. Parking receipts -----	116,000
8. Participants' deposits -----	600,000
9. Television rights sale receipts -----	Inestimable

Estimated total receipts exclusive of TV -----	\$12,793,000
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Estimated cost of VIIIth Winter Olympiad -----	12,588,417
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Estimated surplus over cost exclusive of TV -----	\$204,583
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A portion of the revenue estimate is comprised of receipts from pre-games use of the facilities.

The Nevada Legislature appropriated \$200,000 to be used by the Nevada Olympics Commission " * * * to aid, support, and give all possible assistance in the promotion, organization, and staging of the 1960 Winter Olympic Games at Squaw Valley, California, in co-operation with the International Olympic Committee and the California Olympic Commission."

Division of Beaches and Parks—Continued

There is no assurance than the \$200,000 will be turned over to the California Olympic Commission and should not be relied on for defraying any specific expenditures. The revenue estimate schedule lists an additional \$300,000 as being forthcoming from Nevada. At the present time there is no assurance that this will be realized either and therefore it would be more reasonable to assume that the games will produce a net loss rather than a small profit without television receipts being considered.

The California Olympic Commission is also seeking 3.8 million dollars from the United States in the current session of Congress. In the event this money is approved, 3.4 million dollars will be spent in constructing the large covered ice rink which will also be used for the opening and closing ceremonies and \$400,000 will be used to defray the expenses of military men and equipment to be utilized for various services during the staging of the games. If this federal money is provided, the net effect would be an additional repayment to the State Beach and Park Fund of approximately \$1,000,000.

To date it appears that in considering all possible sources of revenue, the State will be reimbursed to the extent of approximately \$200,000 to \$1,200,000 of the \$7,990,000 to be expended by the State.

It is presumed that the games site can provide concession income sufficient to defray the cost of operating and maintaining the area following the games when it becomes a unit of the State Park System.

The California Olympic Commission has taken a precaution in the event some unforeseen condition negates holding the games, to secure insurance so that pregame ticket sales can be reimbursed. However, no other expenditures made prior to the date of such condition would be reimbursed thereby.

Department of Natural Resources

DIVISION OF FORESTRY

ITEM 177 of the Budget Bill

Budget page 455

FOR SUPPORT OF DIVISION OF FORESTRY FROM THE GENERAL FUND

Amount requested	\$14,912,317
Estimated to be expended in 1957-58 Fiscal Year.....	14,317,456
Increase (4.2 percent).....	\$594,861

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages	\$427,864	\$298,154	\$129,710	463 48
Operating expense	321,542	306,592	14,950	463 50
Equipment	—130,759	—165,841	35,082	463 52
Less increased reimbursements ..	—23,786	—23,786	—	463 77
Total increase	\$594,861	\$415,119	\$179,742	

Division of Forestry—Continued

RECOMMENDED REDUCTIONS

Reduction in budgeted increases-----	\$179,742
Improved efficiency and policy reappraisal-----	None
Total reductions -----	\$179,742

Summary of Reductions

Forest Protection—District Headquarters

No.	Positions	Amount	Budget	
			Page	Line
6	Junior civil engineers-----	\$36,690	458	7
	Related operating expenses-----	9,750	458	30
	Related equipment-----	22,572	458	32
2	Automobile mechanics-----	10,772	458	8
3	Automotive maintenance foremen-----	17,820	458	9
	Related operating expenses-----	4,000	458	30
	Related equipment-----	12,510	458	32
Forest Protection—Field Services				
12	Forest firefighter foremen-----	64,428	459	12
	Related operating expenses-----	1,200	459	40

Total reductions ----- \$179,742

The Division of Forestry is responsible for the fire protection on the state and privately owned land in California having statewide interest values. The majority of its services and staffing are confined to fire suppression and stand-by activities. To a considerably lesser degree, the division engages in a variety of fire prevention activities and also provides technical forestry services, range improvement programs, production of nursery stock for erosion control, windbreaks and plantings around public buildings, and the administration and enforcement of forest practice rules. The division also engages in co-operative programs with federal agencies and individual land owners in the control of white pine blister rust and forest insects.

The division is guided by policies established by the Board of Forestry, consisting of seven members appointed by the Governor. These board members are chosen so as to represent the pine and redwood industries, forest land, livestock and agricultural operators, water users, and the general public.

The division's field operations are divided into six geographical districts and the deputy state foresters in charge of each district receive co-ordinating and functional supervision from the headquarters in Sacramento.

The division implemented the first segment of a so-called 1956 Fire Plan in the current fiscal year, increasing its General Fund expenditures from \$12,939,401 in the 1956-57 Fiscal Year to \$16,340,245 estimated to be expended in the current fiscal year.

Approximately 88 full-time employees and 238 equivalent man-years of seasonal employees for a total of 326 new man-years of employment were added to the division's payroll, increasing the 1956-57 Fiscal Year level of service by more than 15 percent. The division maintains that all new positions authorized for the 1957-58 Fiscal Year were filled before the close of the 1957 fire season. It is inconceivable, however, that all of these new employees could provide the effectiveness desired

Division of Forestry—Continued

of them with such brief indoctrination as could be afforded during the active fire season. The division proposes to provide intensive training of these new employees in the winter period at the two training centers which were also allowed in the current fiscal year budget.

It would appear very desirable to be able to observe the effectiveness of this large increase in the division's budget before adding to it. The various district deputy foresters expressed belief that the value of increased numbers of firefighting personnel has been already felt in the fire season just closed. However, they also indicated that maximum benefit had not been realized because of the new personnel's brief experience on the fireline. In a situation such as this where an agency is increasing its level of service by such a magnitude, we feel it is desirable to reappraise each increment of increase before another is considered. Since this year's increase was but one-third of the total proposed, the total amount of money involved is considerable. Even if the General Fund condition were not in as critical a state as it is, we would still strongly urge that no additional increment be allowed until the last one can be critically evaluated for possible changes in emphasis.

In our analysis of the current fiscal year's budget, we expressed doubt as to the advisability of pyramiding active fire suppression activities before adequate measures of fire prevention and employee training had been exploited, since it is our contention that if full advantage were taken of these two factors plus all new and proven fire research advances, the ultimate needs of the division for on-the-ground fire suppression forces would be materially affected. It is not unreasonable to press for more emphasis on these three phases while holding any further fire suppression employee increases in abeyance, since many activities of fire prevention and training would produce an immediate effect. The division feels that one research venture has netted the State immeasurable benefits in the past fire season. This project involved the dispensing of silver iodide through ground generators placed strategically in the northern area of the State to disperse cumulus, potentially lightning producing, cloud formations. While all other types of fire occurrences were increasing to a considerable extent over the past year's experience, lightning fires were reduced by 50 percent. The division conducted continuous ionization counts to determine if the effect of ground generators was felt in the upper atmosphere and these counts proved conclusively that such was the case. When one considers the small investment in this cloud seeding for the potentially large acreage of timber which might have been burned had the generators not been in use, we feel that the implication very graphically supports our argument for more of the same type of approach.

While the field suppression force was being increased, little more was done toward fire prevention (including law enforcement and personal public contact). The percentage of intentionally set fires increased many fold, and the acreage burned more than doubled over the previous year's experience. We recognize the fact that weather conditions were considerably more adverse this year; however, without a doubt the increased incendiarism contributed heavily to the acreage

Division of Forestry—Continued

burn loss. Although some of the individuals responsible for these "sets" were apprehended by the limited field force available for this type of activity, the potential is far from being achieved.

In recognition of this condition, the division has applied for 104 jeeps to be acquired from surplus federal property at an almost negligible price. The division proposes to be able to field at least 53 jeeps in good condition out of the 104 at a cost of approximately \$100 for each of the 53 jeeps. This \$5,300 will be taken from the current fiscal year's operating expenses by reducing expenditures on other less critical items. These jeeps will be placed at selected forest fire control stations to be used by the foremen in charge when fire conditions permit. These foremen are to perform a variety of fire prevention activities including acquiring intimate familiarization with all the terrain, roads, hazards, water sources and populated areas in their respective geographical areas of responsibility; contacting each person in the area to catalog and eliminate local fire hazards; contacting dump and hazardous mill and plant operations to insure compliance with fire safety measures; helping to enforce forest practice laws and noting and reporting any "wildcat" unreported lumbering operations, to mention a few. We feel that this activity will produce measurable benefits in the fire occurrence picture since it has been fairly well proven that over 60 percent of all man-caused fires are started by persons living in the areas where the fires occur rather than by transients.

ANALYSIS

The division is requesting \$14,912,317 in the budget year which is \$594,861 or 4.15 percent more than the \$14,317,456 which is estimated will be expended in the current fiscal year.

In addition to normal merit salary adjustments, the primary reasons for this increase are the proposed addition of 56 new positions.

In detail these positions are:

1. *One state forest ranger I* for the division's headquarters operation to absorb additional workload resulting from increases in the field forces in the current fiscal year. On this basis we recommend approval of this position.

2. *Six junior civil engineers* to step up activity in boundary determination and surveys for plotting new or relocating existing power lines, roads, etc. To date the division has not provided any workload data as to the mileages of fencing, boundaries, roads, power lines, etc., yet to be surveyed, whether or not such surveys are critical to the operation or merely desirable for more complete information on projects developed by the division, or the work that has been accomplished by the existing engineers and the amount of work that can be accomplished on specific types of projects by existing personnel.

The increase in the number of fire control stations has been minimal and the provision for year-round employment for certain employee classifications in the current year budget makes available certain portions of their services during the winter months for utilization on many programs, one of which could be in helping on surveying projects. Exclusive of the instrument man, field training would suffice to use the

Division of Forestry—Continued

services of existing personnel for lead men, chain men, etc., on the survey teams.

We feel that additional engineers would definitely constitute an increased level of service and, therefore, recommend deletion of these positions from the proposed budget for a savings of \$36,690 in salaries and wages, approximately \$9,750 in operating expenses and \$22,572 in equipment for a total savings of some \$69,012 relative to these requested positions.

3. *Two automobile mechanics* to be assigned to honor camps, one each in Districts III and IV and *three automotive maintenance foremen*, one each in Districts I, V and VI to lessen the vehicle maintenance load on existing automobile mechanics and automotive maintenance foremen in those districts.

Here again no workload statistics have been provided to indicate the average number of vehicles serviced annually by the mechanics, the type of servicing provided, the time required for each type of service, the backlog of work to be done, etc. Furthermore, the division used in its justification for year-round employment of equipment operators and drivers the argument that such provision would insure more and better maintenance of the division's equipment since following the fire season these men could rehabilitate their assigned equipment and be used elsewhere gainfully in similar work during slow periods. This year-round employment was provided by the Legislature.

We feel that to allow the requested mechanic and maintenance foremen positions would clearly be an increase in service, especially since the full benefits of the addition of personnel with mechanic qualifications has not been fully evaluated. Because of these reasons, and in the absence of specific workload statistics, we recommend the deletion of the proposed two mechanics and three automotive maintenance foremen for a savings in salaries and wages of \$28,592, approximately \$4,000 in operating expenses and \$12,510 in equipment for a total savings of \$45,102.

4. *One intermediate stenographer-clerk* in District II to cope with increased workload brought about by the increase in district and field staffing through positions authorized in the current fiscal year. We feel the request for this position is valid and recommend approval.

5. *Twelve forest fire fighter foremen* to be placed in certain locations to provide a dual function of warehousemen and dispatcher relief.

These positions are recommended in the 1956 Fire Plan which is a re-evaluation for providing an increased level of service. This request would provide an increment of this plan and consequently an increase in the level of service. Although we recognize the service which would be rendered by these positions, we do not feel they are vital to the continued operation of the field units to which they were to be assigned and because they represent an increased level of service rather than a workload necessity we recommend that these positions be deferred for a savings in the budget proposal of \$64,428 in salaries and wages and \$1,200 in operating expenses for a total savings of \$65,628.

Division of Forestry—Continued

6. *One complete summer suppression crew* to assume the protection responsibility of an area formerly assigned the U. S. Forest Service. The division has assured us that this change can be made without any additional cost over that normally paid the Federal Government to provide protection of the private land encompassed in this transfer; that no additional supervisory positions will be entailed inasmuch as this station will be included in an existing assistant ranger district, and co-ordination of fire suppression activity will be enhanced through this proposed change. We, therefore, recommend approval.

7. *An additional 25.4 man-years* to staff already funded additional forestry honor camps at Vallecito, Chamberlain Creek, Plum Creek, Crystal Creek and Folsom-Beaver Creek.

At present the California Department of Corrections is supplying inmates who qualify for minimum security project camps to the Division of Forestry, the Division of Highways and the U. S. Forest Service. At the present time such camps utilize approximately 1,453 inmates of the Department of Corrections in addition to the 265 wards of the California Youth Authority who are located at three "spike" (part time) and three permanent camps. The work accomplished by these inmates and wards has been beneficial to the State as well as to the men and boys involved as a very important step in their rehabilitation.

We feel that this program has been very successful and recommend approval of the request for additional personnel to staff camps which are to be activated in the budget year.

Equipment

The Division of Forestry, the Department of Finance and our office met in joint conference to screen the equipment items of this agency. The division, in cognizance of the funding problem volunteered deletion of equipment items totaling approximately \$600,000 and in addition the consensus of the group was to delete some \$269,416 more. The net result was to reduce the initial equipment request of \$1,914,037 by \$869,416 or 45.4 percent. Approximately \$600,000 of this reduction amounts to a deferment inasmuch as it involves necessary radio changes recommended by the Division of Communications and required by the Federal Communications Commission.

Department of Natural Resources

DIVISION OF FORESTRY

ITEM 178 of the Budget Bill

Budget page 464

FOR SUPPORT OF ALLOTMENTS TO COUNTIES FOR WATERSHED PROTECTION FROM THE GENERAL FUND

Amount requested	\$1,247,743
Estimated to be expended in 1957-58 Fiscal Year	1,156,135
Increase (7.9 percent)	\$91,608

RECOMMENDED REDUCTIONS..... None

Six counties in the State have maintained their own fire suppression forces on both their own and state responsibility lands for some years. The State Forester, through the provisions of Section 4006 of the

Division of Forestry—Continued

Public Resources Code, is empowered to enter into contracts with those counties preferring to provide their own fire protection in an amount sufficient to cover their activities in the areas of those counties which would otherwise be the responsibility of the State.

The division prepared fire plans of these contract counties to insure consistency in future appropriations to them as increments of the 1956 Fire Plan are implemented on areas receiving direct protection from the division.

The County of Contra Costa has been dropped from a contract of \$3,278 which had previously entailed the manning of a lookout by the county. The division has assumed this responsibility during the current fiscal year and this service is now reflected in the support budget.

The following table depicts the contractual amounts with the counties:

<i>County</i>	<i>Fiscal Year</i>	
	<i>1957-58</i>	<i>1958-59</i>
Kern -----	\$293,149	\$316,351
Los Angeles -----	395,700	423,910
Marin -----	92,125	100,369
San Mateo -----	91,879	99,239
Santa Barbara -----	138,597	151,687
Ventura -----	144,685	156,187
Totals -----	\$1,156,135	\$1,247,743

In all probability, the cost to the State for providing direct state fire protection in these counties would considerably exceed that involved in the contracts. The size of the contracts is so designed to provide for the same level of protection in these counties as is found on areas receiving direct state protection. The increase of 7.9 percent in the budget year is attributable to general cost increase factors and does not provide for an increase in the level of service.

We recommend approval.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 179 of the Budget Bill

Budget page 464

**FOR PROTECTION OF PRIVATE LANDS WITHIN AND ADJACENT TO
NATIONAL FORESTS FROM THE GENERAL FUND**

Amount requested -----	\$991,191
Estimated to be expended in 1957-58 Fiscal Year -----	953,677
Increase (3.93 percent) -----	\$37,514

RECOMMENDED REDUCTIONS ----- None

ANALYSIS

The State pays the Federal Government for fire protection given state and private lands by the U. S. Forest Service within and adjacent to national forests. The State in turn provides fire protection on certain areas which would otherwise be the fire protection responsibility of the U. S. Forest Service. Since the U. S. Forest Service provides fire

Division of Forestry—Continued

protection on far more state responsibility land than visa versa, the State is required to pay the Federal Government on the acreage against which there is no offsetting state protection on federal lands.

Previous to the current fiscal year the State merely provided a certain amount of money to the U. S. Forest Service which would supposedly provide for fire protection on private lands within the national forests comparable to that provided outside the national forests by the State which was adjusted according to the side benefits of protection of federal lands. The U. S. Forest Service had complained that the State had inflated these side benefits to such an extent that the federal fire protection agency had to dig into its own funds to provide sufficient protection on these state and private lands. The Division of Forestry was convinced that its contribution to fire protection of these lands within the national forests was being distributed among many functions of the U. S. Forest Service other than fire protection.

To resolve these problems the division prepared fire plans within the national forests to determine where fire crews defrayed by the State should be placed to protect private lands within those forests. In the current fiscal year the appropriation to the U. S. Forest Service from the State was contingent upon the placing of fire crews in areas specified by the division. The U. S. Forest Service co-operated on very short notice and, with a few exceptions involving availability of facilities, placed the state-supported crews at the sites designated by the State. These crews were found to be on duty at all times during the fire season.

However, this system has tended to reduce the standard of protection in other areas of the national forests since previously the state moneys were distributed evenly over the entire fire protection forces within the forests. Consequently, the larger blocks of private lands within the national forests are receiving protection comparable to that given by the State outside the national forests, whereas small blocks of private lands within the forests are receiving considerably less fire protection because the Federal Government does not have sufficient funds to achieve a level of protection comparable to that of state protection.

However, the higher value private lands are being given a higher level of protection under the new system and the State can now determine exactly where its contribution to the U. S. Forest Service is being expended. The Division of Forestry wishes to assume the direct fire protection of large blocks of private lands within the national forests, and in the current fiscal year assumed the protection of a large block in the Stanislaus National Forest. Generally, we have not recommended such a program inasmuch as the same level of protection can be attained under the new system of designating crew sites by the State in and around such areas at a lesser cost to the State, since the Federal Government provides supervisorial personnel, equipment and facilities for these crews. However, the State has proposed a plan whereby it can take over the direct protection of a large block of private land in Butte Meadows in Tehama County in the budget year at less cost

Division of Forestry—Continued

to the State than contracting with the U. S. Forest Service for this protection. In effect, the assumption of service in this area merely constitutes a "payline boundary" revision.

The increase of \$37,514 is primarily attributable to the increased cost of providing the same level of service in the budget year and we therefore recommend approval.

Department of Natural Resources
DIVISION OF FORESTRY

ITEM 180 of the Budget Bill

Budget page 464

FOR SUPPORT OF WHITE PINE BLISTER RUST CONTROL, IN CO-OPERATION WITH THE U. S. DEPARTMENT OF AGRICULTURE, FROM THE GENERAL FUND

Amount requested	\$115,000
Estimated to be expended in 1957-58 Fiscal Year	115,000

Increase	None
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RECOMMENDED REDUCTIONS	None
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ANALYSIS

The State, through the Division of Forestry, has been co-operating on a 50-50 basis with the U. S. Department of Agriculture to attempt to curtail the damages wrought by white pine blister rust and to eventually eradicate it if at all possible. This program has been in effect since 1936 and many stands of valuable sugar pine have been saved through this joint effort.

Only those areas of excellent growing characteristics and stands of commercial value are afforded this control measure since it would not be economically feasible to provide the striking force necessary to attack it wherever the presence of this disease is indicated.

Since the trees can only be attacked by spores directly transmitted from currant and gooseberry bushes, the control program is aimed at the eradication of these bushes. Chemical treatment and actually grubbing the bushes out of the ground are the methods of control.

Landowners whose land has been included in a treatment area are invited to participate to the extent of 25 percent of the cost of eradication of the blister rust on their property. These participation requests have met with little success. However, the control of white pine blister rust is considered so vital to the lumbering industry and consequently the economy of the State that lack of landowner co-operation should not be allowed to endanger its continuation.

We recommend approval as submitted.

Department of Natural Resources

DIVISION OF FORESTRY

ITEM 181 of the Budget Bill

Budget page 464

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

Amount requested -----	\$320,000
Estimated to be expended in 1957-58 Fiscal Year -----	420,000
Decrease (23.8 percent) -----	\$100,000

RECOMMENDED REDUCTIONS ----- None

This item is to provide funds for the division to meet its needs in the event of an exceptionally serious fire season.

Although the division has had its field force expanded almost 33 percent in the last three fiscal years, this augmentation has had little or no effect upon the needs of the division to meet emergency situations. In fact, it is estimated that more emergency funds will be expended in the current fiscal year than has been needed since or before the disastrous 1954-55 Fiscal Year.

The division had previously estimated that as its support forces are increased the emergency fund should decrease, but as yet this has not been the case. Although \$320,000 was appropriated for this purpose in the current fiscal year, the division's estimates are that an additional \$100,000 will be needed before June 30, 1958, to cope with anticipated emergencies. Therefore, the \$100,000 decrease in the budget year does not indicate a decrease in appropriated amount but rather a decrease in estimated expenditures.

The necessity for the emergency fund is more directly dependent upon the weather conditions than upon the size of the suppression force and in the realization that this fund must be kept available in reasonable size to cope with extraordinary fire situations, we recommend approval.

Department of Natural Resources

DIVISION OF FORESTRY

ITEM 182 of the Budget Bill

Budget page 464

FOR SUPPORT OF FOREST INSECT CONTROL FROM THE GENERAL FUND

Amount requested -----	\$35,000
Estimated to be expended in 1957-58 Fiscal Year -----	35,000

Increase -----	None
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RECOMMENDED REDUCTIONS ----- None**ANALYSIS**

The Division of Forestry conducts a program for the control of forest insects on state and private lands. Where control is deemed necessary on private lands, the landowner is required to pay in cash or labor contributions 50 percent of the cost of control work performed. This requirement has often been a deterrent to the program because of the difficulty of contacting affected absentee landowners or obtaining the co-operation of several landowners in the infected area. In cognizance of this problem, the Board of Forestry is considering the ad-

Division of Forestry—Continued

visability of allowing control of a maximum of 160 acres without charge to the landowner. This would undoubtedly result in increased cost to the State, and before any determination should be made as to the propriety of instituting this new proposal the additional benefits should be weighed against the costs, since currently, insects are destroying more timber annually than is being ravaged by fire.

Federal agencies and interested lumber operators also engage in insect control on their respective areas of responsibility and in 1956 private logging companies instituted control on 88,160 acres through salvage logging. Federal agencies treated 97,260 acres primarily through burning and toxic spray and the Division of Forestry in its state-private co-operative program controlled 330,800 acres primarily by peel-burning and toxic spray.

The division's request proposes to continue this program at the current level. We recommend approval.

Department of Natural Resources

DIVISION OF FORESTRY

ITEM 183 of the Budget Bill

Budget page 465

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

Amount requested	\$101,762
Estimated to be expended in 1957-58 Fiscal Year	93,555
Increase (8.8 percent)	\$8,207

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$8,207
Improved efficiency and policy reappraisal	93,555
Total reductions	\$101,762

GENERAL SUMMARY

This item is to continue the present program of mapping soils and types of vegetation in the wildland or upper watershed areas of the State which are not included in any other such programs currently in progress.

Under two separate legislative authorizations, the latest being Chapter 1875, Statutes of 1953, approximately 5,000,000 acres have been mapped leaving some 21 million acres yet to be completed which are considered to be necessary to this program by the Division of Forestry.

The division contracts with the California Forest and Range Experiment Station, the U. S. Department of Agriculture, and the Agricultural Experiment Station of the University of California to perform all survey work, grassland sampling, and soil testing. Following the completion of such work a soil map is published on the unit studied and sold by the U. S. Department of Agriculture at a price to cover the cost of printing.

The increase in the amount requested for the budget year over that estimated to be expended in the current fiscal year is to provide for the publication of soil and timber stand vegetation maps on 390,000

Division of Forestry—Continued

acres in Tehama County, 420,000 acres in Humboldt County, and 75,000 acres in Shasta County, as well as to provide for increased salaries and wages and operating expense costs to maintain the same level of productivity under contract to the above mentioned agencies.

Section 4445 of the Public Resources Code provides the State Forester with the authority to continue this program. However, this section's wording is permissive, not mandatory. Also, the section does not establish the level of activity to be maintained in the event the program is undertaken. This survey is being maintained at a level of activity which will complete three-quarters of a million acres annually. At this rate the remaining 21,000,000 acres for which soil and vegetation maps are desired will require 28 years. It would appear therefore that this program could hardly be considered urgent.

ANALYSIS

This program is designed to provide an inventory of soils and natural vegetative cover of the foothill and wildland areas of the State to aid in the management of these lands for timber, forage and water.

The U. S. Soil Conservation Service is also conducting soil surveys on the State's land. This is a service provided by the U. S. Soil Conservation Service to soil conservation districts. These surveys, referred to by the service as "standard surveys" provide information which is very complete and can be used to benefit land management. The surveys conducted by the Division of Forestry identify the grass, brush and forest species in addition to the soil types; however, both the division and the U. S. Soil Conservation Service contract with the University of California Department of Soils and Plant Nutrition for the information desired on soils. Also, these two agencies have overlapped surveys in Glenn, Tehama and Colusa Counties.

We recognize the desirability of the soil-vegetation surveys being conducted through appropriation to the Division of Forestry which in turn contracts with other agencies to physically implement the studies. However, since the U. S. Department of Agriculture has accepted the responsibility of providing the standard soil surveys to soil conservation districts, and it is anticipated that the State is to be saturated with soil conservation districts by 1961 or shortly thereafter, thus making the entire State eligible for these federal soil surveys, and, further, since the advent of the small watershed program will provide a complete analysis of vegetative cover in critical areas, it is felt that this program should be deferred in its entirety until a supportable need for further soil and vegetation analysis can be indicated following the soil surveys by the federal agencies involved in this activity.

We therefore recommend that this program be discontinued for a savings of \$101,762.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 184 of the Budget Bill

Budget page 465

**FOR SUPPORT OF WATERSHED RESEARCH, IN CO-OPERATION WITH
CALIFORNIA FOREST AND RANGE EXPERIMENT STATION, FROM
THE GENERAL FUND**

Amount requested	\$24,000
Estimated to be expended in 1957-58 Fiscal Year	24,000
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Increase	None

RECOMMENDED REDUCTIONS None

ANALYSIS

The Division of Forestry contracts with the California Forest and Range Experiment Station of the U. S. Department of Agriculture to secure specific information relative primarily to water-vegetation relationships. From information secured through these experiments the division hopes to be able to specify watershed areas which should or should not receive burning treatment for increased water yield and to determine the best types of planting materials to be placed in denuded areas or to be used to replace riparian vegetation to increase water yield as well as to prevent erosion.

The current year marks the tenth year this co-operative program has been in effect under the provisions of Chapter 1415, Statutes of 1947. However, the federal program at San Dimas has been in progress for approximately 20 years. During this period, careful records have been kept on this watershed and results of test plantings in that area under the present program can be accurately appraised.

Since 1956 the investigation has emphasized field testing for watershed management application and should have immediate effect upon such undertakings in Southern California following burns on the vital watersheds in that area.

We recommend approval of this co-operative program as submitted.

**Department of Natural Resources
DIVISION OF FORESTRY**

ITEM 185 of the Budget Bill

Budget page 465

**FOR SUPPORT OF FOREST AND FIRE RESEARCH FROM THE
GENERAL FUND**

Amount requested	\$60,000
Estimated to be expended in 1957-58 Fiscal Year	50,000
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Increase (20 percent)	\$10,000

RECOMMENDED REDUCTIONS

Improved efficiency and policy reappraisal	\$19,000
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Total reductions	\$19,000

ANALYSIS

The Division of Forestry has initiated several research projects in past years, several of which have been continued as a joint effort with the University of California and other agencies either as a co-operative venture or under contract with those agencies.

Division of Forestry—Continued

In the current year the division engaged in four research projects for a total of \$50,000 which were lightning control, fire behavior research, a fire protection economic study and equipment development. For the budget year the division proposes to continue from the General Fund the lightning control and the fire protection economic studies on an increased level; equipment development on a decreased level; replacement of the fire behavior research with a fire climate study and fire prevention research for approximately the same amount, and absorbing into this item a "forest planting stock physiology" study which appeared as "forest regeneration research" in the current year's budget as a separate line item at the same level (\$10,000). Therefore, the overall effect on the General Fund is unchanged and in reality there is no increase in the program.

However, the Legislature authorized an annual apportionment to the Division of Forestry of \$100,000 from the State Lands Act Fund to be used for research through the provisions of Chapter 2405, Statutes of 1957. This apportionment is to start with the budget year.

The division has prepared a recommended program of projects to absorb the \$100,000, five of which serve to augment the General Fund projects by \$31,000. We have previously recommended that research projects for immediate field application should be engaged in by the division. We are especially desirous of seeing the lightning control and equipment development projects continued for immediate physical field evaluation and effect. We feel that the remainder of the projects recommended for inclusion in the General Fund request should be moved into the research program authorized by Chapter 2405, Statutes of 1957, as more basic types of research.

This recommendation would have a net effect of providing \$28,000 for the lightning control study and \$13,000 for the equipment development program, *reducing the General Fund appropriation by \$19,000*. We feel these two items can be justified for inclusion in the division's General Fund budget as specific tools for combating fire. We realize that this recommendation would result in curbing the level of activity proposed in the \$100,000 from the State Lands Act Fund, but since this is a continuing annual apportionment, the ultimate benefits of the research program should be unchanged.

Department of Natural Resources
DIVISION OF MINES

ITEM 186 of the Budget Bill

Budget page 467

FOR SUPPORT OF DIVISION OF MINES FROM THE GENERAL FUND

Amount requested	\$562,617
Estimated to be expended in 1957-58 Fiscal Year	567,002
Decrease (0.7 percent)	\$4,385

Division of Mines—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Workload or salary adjustments	New services		
Salaries and wages-----	\$8,881	\$8,881	--	467	53
Operating expense -----	11,098	11,098	--	467	70
Equipment -----	1,486	1,486	--	467	72
Less increased reimbursement---	—25,850	—25,850	--	467	78
Total increase -----	—\$4,385	—\$4,385	--		

RECOMMENDED REDUCTIONS----- None

GENERAL SUMMARY

The primary function of the Division of Mines is to provide information on the mineral resources of the State. Its only regulatory function is the inspection of ore buyer licenses which consumes only 25 percent of the time of one person.

This division as a part of the Department of Natural Resources was created in 1941 following a period since 1880 of various places and forms in State Government. The State Mining Board which was established in 1929 consists of five members appointed by the Governor and serving four-year staggered terms. The board establishes policy for the guidance of the State Mineralogist who is the Chief of the Division.

An important phase of information provided by the division is a survey of the geology, mining, mineral resources and mineral industries by counties and the preparation of a comprehensive report on each. The division is attempting to make these reports current but is experiencing some difficulty, primarily because of the demands on the time of the various geologists to prepare other types of publications. At the present time the division is able to complete approximately three such county reports per year.

The primary sources of data for compilation and publication by the division are the U. S. Bureau of Mines and the U. S. Geological Survey. These two agencies perform specific exploratory work for which the division is not geared. Although the division's geologists do some field mapping work, they do not normally spend over 10 percent of their time on this phase.

ANALYSIS

Although the division's request for the budget year indicates a reduction, this is not reflected in the level of service but rather in a new reporting system to indicate all reimbursements which should be credited to the operation of the division.

In this case, an estimate of the sale of the division's publications in addition to that of the Mineral Information Service amounts to \$25,000. Prior to the budget year, proceeds from the sale of special reports had been credited directly to the General Fund. The division has arrived at a figure of 3,500 as being the minimum number of copies needed of all special reports to provide 2,000 free distribution to co-operating agencies and 1,500 for sale to the general public in order to insure an offset of printing costs. The sale of publications has decreased almost 50 percent in recent years. Also, since the \$1 annual subscription rate was

Division of Mines—Continued

initiated for the Mineral Information Service bulletin, formerly distributed free, circulation of that publication has decreased by approximately the same percentage. Although the correlation may be just coincidental, this factor should be explored to determine how the division could increase its sales. Although a card is sent to each person formerly on the free Mineral Information Service mailing list to give notice of each new publication, sales have not been materially enhanced.

Since it is desirable to eliminate or at least reduce the deficit between printing expenses and receipts from sale of the publications, which in the budget year is estimated to be \$3,300, it is suggested that the division publish annually a pamphlet prospectus of all available publications with an explanation of each publication. It is suggested that these pamphlets be distributed free of charge to the public through any media available. To help offset any additional cost of this process, it is recommended that the free mailing of cards to all individuals on the mailing list at the time new publications become available be discontinued. Savings in material, printing and mailing of the cards should offset the cost of printing and distributing the proposed prospectus. It is felt that the potential market for the publications has not been fully exploited and this method should provide an economical means to determine the demand and enhance the sales.

Actually, when considering the division's budget as proposed in relation to the current year budget before the comparison is distorted with the new concept of reimbursements, it will be noted that there is an increase of 3.6 percent in salaries and wages, operating expenses and equipment, primarily attributable to the provision of sufficient money to construct an office in the Ferry Building for the state geological mapping function and an increase in rent to be paid to the Port Authority for space in that building.

Until this division is transferred to Sacramento which is proposed below, these additional facilities appear to be necessary and we, therefore, recommend approval of the budget as submitted.

Economy and Improvements Requiring Legislation

Because of the physical location of the headquarters of the Division of Mines in San Francisco, co-ordination of all departmental activities by the director is somewhat complicated. It is our opinion that the headquarters of all major units of the Department of Natural Resources should be in one geographical location for obvious systematic and co-ordinated benefits.

At the present time two major deterrents prevent an immediate relocation. First, sufficient area is not available to house this division whose various office, library, laboratory and museum sections require a considerable amount of space. They are at present located on two floors of the Ferry Building in San Francisco in considerably cramped and dispersed quarters. In addition to the fact that the present quarters are undesirable, there is also no assurance that the Port Authority will continue the availability of the space indefinitely.

Division of Mines—Continued

The other deterrent is the requirement of Section 2202 of the Public Resources Code that the division is to maintain a library, museum and laboratory in San Francisco. It is our recommendation that this provision be deleted from the code.

It is further recommended that, upon transfer of the division headquarters from San Francisco to Sacramento, the Sacramento field office be absorbed into the division unit and the Redding field office also be discontinued, absorbing into the division unit the geologists assigned to that area office. It is felt that the Los Angeles office should be continued because of the activity and the populous area served.

We feel that compliance with these recommendations will effect more control and co-ordination within the division as well as in the department and will effect certain administrative savings.

Department of Natural Resources

DIVISION OF MINES

ITEM 187 of the Budget Bill

Budget page 468

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

Amount requested	\$35,000
Estimated to be expended in 1957-58 Fiscal Year	35,000

Increase	None
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RECOMMENDED REDUCTIONS None

The Division of Mines has engaged in a co-operative program of surveying the geological features of the State for 13 years with the U. S. Geological Survey. The State makes a monetary contribution to the program which is executed by the U. S. G. S.

This co-operative program has tended to expedite the explorations, making available to the State information necessary for reference material in the division's compilation of its reports.

The U. S. Geologic Survey submits its manuscript, maps, and reports to the division which in turn prepares and edits them for public distribution. During 1956, seven projects received co-operative work.

This program is recognized by the division to be vital to its fulfilling the responsibility of providing information on the State's mineral resources. We recommend approval.

Department of Natural Resources

DIVISION OF MINES

ITEM 188 of the Budget Bill

Budget page 468

FOR SUPPORT OF STATE GEOLOGIC MAP FROM THE GENERAL FUND

Amount requested	\$36,980
Estimated to be expended in 1957-58 Fiscal Year	19,120

Increase (93.41 percent)	\$17,860
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RECOMMENDED REDUCTIONS None

Division of Mines—Continued

ANALYSIS

This item provides for the second of four stages to prepare a colored edition of the State Geologic Map. The previous edition was made in 1938 and has been out of print about six years.

The new edition is being compiled on a scale of 1:250,000 (or one inch equals four miles) which is twice the scale of the previous edition. It will portray the latest information available on all sections of the State.

It is planned to print 6,000 copies of each of the 30 sheets necessary to cover the State and preliminary requests indicate that the edition will receive wide and heavy demand. Each sheet is to be sold for a suggested price of \$1.50 which, in considering the estimated cost to the State of \$100,000, and a reasonably assured sale of 4,000 complete sets or 120,000 sheets, should net the division approximately \$80,000.

The map will be of benefit to the mining industry as well as to the oil industry, highway planners, exploration companies, and to those making water resource determinations and industrial plant locations.

The division met with some difficulty in initiating this project but since basic equipment, personnel, and information are now available, the program can be carried on at an increased rate. This accounts for the requested increase in funds for the budget year.

Because of the self-liquidation nature of this program as well as its direct contribution to the economy of the State, we recommend approval.

Department of Natural Resources
DIVISION OF OIL AND GAS

ITEM 189 of the Budget Bill

Budget page 468

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

Amount requested	\$714,271
Estimated to be expended in 1957-58 Fiscal Year	701,309
Increase (1.8 percent)	\$12,962

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages	\$11,921	\$11,921	--	469 46
Operating expense	3,892	3,892	--	469 61
Equipment	-2,851	-2,851	--	469 64
Totals	\$12,962	\$12,962	--	

RECOMMENDED REDUCTIONS

None

The Division of Oil and Gas is a regulatory agency responsible for the supervision of drilling, operating, maintenance, and abandonment of oil wells throughout California to prevent waste of and damage to the State's oil and gas deposits, and to help protect the underground and surface fresh water resources from pollution by these activities.

Division of Oil and Gas—Continued

The activities of the division are supported through an annual assessment levied against oil and gas producers based on barrels of oil produced and gas produced and sold. The rate of fees so levied is adjusted annually to the rate of oil and gas production to provide for the support of the division and the maintaining of a \$50,000 surplus in the Petroleum and Gas Fund. The current tax rate is approximately 2 mills per barrel of oil produced or per 10,000 cubic feet of gas sold.

The division performs two major functions. It collects records and reports, and compiles statistics and reports for publication as one function, and actually supervises the drilling, producing and abandoning operations to prevent waste or damage as the second function. To perform the latter function, field inspections of blowout prevention equipment, cementing and plugging operations and water shut-off demonstrations are made on a continuous basis. When the field personnel are not making inspections they prepare engineering cross sections, contour maps, and write technical articles.

The oil and gas industry has tended to rely on the division's inspectors to such an extent that producers have in many cases ceased sending their own engineers on jobs covered by the division men.

On October 10, 1957, the Los Angeles (District 1) office was moved in with Veterans Affairs in Inglewood and the Long Beach office was consolidated with the Los Angeles office which may ultimately allow a reduction of one man from the operation. The new office allowed in the current year budget for District 6 was activated at Woodland, September 3, 1957.

For more centralized control by the Department of Natural Resources, it is recommended that the Division of Oil and Gas be moved from San Francisco to Sacramento, at such time as space is made available. Such a move should result in some economy from decreased communications costs and possible reduction in some pro rata administrative charges, but the primary value would be realized through closer co-ordination of the natural resource agencies, availability of records and exchange of geologic information for joint use by this division as well as other co-operating agencies.

It is recommended that the budget of the division be approved as submitted.

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

ITEM 190 of the Budget Bill

Budget page 472

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

Amount requested	\$433,110
Estimated to be expended in 1957-58 Fiscal Year	308,208
Increase (40.52 percent)	\$124,902

Division of Soil Conservation—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Workload or salary adjustments and first full year of small watershed planning	New and increased services		
Salaries and wages-----	\$100,820	\$78,684	\$21,636	472	77
Operating expense -----	42,244	32,666	9,578	473	13
Equipment -----	—17,590	—19,992	2,402	473	15
Less additional reimbursements....	—72	—72	--	473	18
Total increase -----	\$124,902	\$91,286	\$33,616		

RECOMMENDED REDUCTIONS

Reduction in budgeted increases-----	\$33,616
Improved efficiency and policy reappraisal-----	252,632
Total reductions -----	\$286,248

Summary of Reductions

No.	Positions	Amount	Budget Page	Line
3	Assistant soil conservationists-----	\$18,180	472	71
1	Intermediate typist-clerk-----	3,456	472	72
	Related operating expenses-----	9,578	473	13
	Related equipment-----	2,402	473	15

Policy Reappraisal

	Small watershed program			
1	Supervising hydraulic engineer-----	12,000	472	64
5	Associate hydraulic engineer-----	40,560	472	65
1	Senior economist-----	9,384	472	66
1	Assistant economist-----	6,360	472	66
1	Associate engineering geologist-----	8,112	472	65
2	Assistant civil engineer-----	13,344	472	65
2	Junior civil engineer-----	12,420	472	65
2	Engineering student trainee-----	7,992	472	65
1	Delineator-----	5,364	472	66
1	Drafting aid II-----	4,740	472	66
1	Senior typist-clerk-----	4,296	472	66
1	Intermediate typist-clerk-----	3,630	472	66
—0.8	Estimated salary savings-----	—5,000	472	75
	Related operating expenses-----	128,430	473	13
	Related equipment-----	1,000	473	15
Total -----		\$286,248		

GENERAL SUMMARY

This division was created through the provisions of Chapter 1680, Statutes of 1955. State soil conservation activities prior to this date were administered by the Soil Conservation Commission, which body was continued in a policymaking capacity upon establishment of the division.

The primary function of the division is to aid interested local co-operators in the formation of soil conservation districts, the expansion of existing districts and to provide nontechnical aid to the districts where requested by the district directors.

Following its formation, a soil conservation district receives technical aid from area soil conservationists of the U. S. Soil Conservation Service of the Department of Agriculture. This technical aid consists of engi-

Division of Soil Conservation—Continued

neering, surveying and professional advice relative to erosion control and conservation practices which provide for improved irrigation, land drainage, flood control, development and protection of water supplies, soil and crop improvements, range and pasture improvements, weed and rodent control, the proper use of wastelands and provision for sound wildlife management.

As of November 30, 1957, the State had aided in the formation of 145 soil conservation districts. The division's goal is to saturate the State with districts which it is estimated will require some 230 districts. Therefore, by the division's estimates, the district formation job is approximately 63 percent completed.

In forming new districts, quite often the division has permitted some to be formed which have contained quite small acreages. Although such districts allow a "foot in the door" for future expansion in areas where general acceptance has not developed, it still engenders a problem for the U. S. Soil Conservation Service which is directly reflected in the amount of service which that agency can afford to provide the districts. For each new soil conservation district the U. S. Soil Conservation Service receives \$8,000 upon formation, but in subsequent years its budget is determined by the amount of acreage and number of farm units which are included in all soil conservation districts of the State combined. Therefore, additions of small acreages may not be sufficient to allow enough increase in this federal agency's field technologists to provide the services to these new district co-operators which are the primary incentive for them to establish a district in the first place. This situation can become a detriment to the soil conservation program and the division's field men should make every effort to form extensive districts or perhaps even hold some applications in abeyance until more co-operators can be included.

ANALYSIS

The division proposes to spend \$433,110 in the budget year which is an increase of \$124,902 or 40.52 percent over that estimated to be expended in the current fiscal year.

The primary increase is attributable to the request for three assistant soil conservationists to increase field activity in the formation of new and expansion of existing soil conservation districts and to provide related services for the districts, as well as an additional intermediate stenographer-clerk to absorb the workload of these three additional field positions. In the current fiscal year, the Legislature authorized the addition of six associate soil conservationists and one senior soil conservationist. The associates are to be hired on January 6, 1958. In providing for these associates, the Legislature expressed considerable concern over allowing them without any specific workload statistics. It was recognized, however, that there was a lack of this type of service to soil conservation districts to such an extent that U. S. Soil Conservation Service men were neglecting technical duties to provide non-technical assistance to the districts, and the Legislature therefore authorized the six associates, which were two less than originally requested by the division.

Division of Soil Conservation—Continued

The Legislature was assured by this office that close inspection would be made of these additional positions to determine:

1. If the increase in numbers of districts and additions to districts is materially affected.
2. If the technical employees of the U. S. Soil Conservation Service can step up field activities because of their presumed release from nontechnical assistance.
3. If the availability of field personnel can reduce the drain on the time of the division headquarters in answering questions and resolving administrative problems of the districts.
4. If the basis for the request of one field representative per 12 existing soil conservation districts is proper.

Since the associate soil conservationists approved for inclusion in the division's field force in the current fiscal year are not to be hired until January 6, 1958, it will be impossible to apprise the Legislature of their effectiveness at the budget session. Certainly their employment should be measurable in the budget year to a certain extent, but it would be wholly unjustifiable to recommend any increase in the field staff until workload can be appraised. The three existing positions have formed 21 districts since June of 1956. At this rate the existing three positions could attain the desired 230 districts by 1963, which will require the addition of 85 districts to the 145 districts formed to date. Certainly the addition of the six authorized positions will allow the division to saturate the State well within the limit of time before 1961 set by the division as the target date for the completion.

We, therefore, recommend the deletion of the assistant soil conservationist positions and related clerical aid from the proposed budget for a savings of \$21,636 in salaries and wages and \$11,980 in operating expenses and equipment for a total savings of \$33,616.

Small Watershed Program

This program, which was initiated by Public Law 566, 83d Congress and amended by Public Law 1018, 84th Congress, provides federal aid for the development of any undertaking for: (1) flood prevention (including structural and land treatment measures), or (2) the conservation, development, utilization, and disposal of water, with certain limitations as to size and cost.

Before revision by the 84th Congress, Public Law 566, 83d Congress, required review of proposed projects by the Departments of the Army, Interior and Agriculture and approval by Congress before state and local machinery could begin moving to actually construct the improvements. This method proved exceedingly cumbersome, especially where many small projects were involved, thus creating a bottleneck on the federal level. However, Public Law 1018, 84th Congress, in addition to broadening the definition of works of improvement to include stream flow regulation and industrial and municipal water supplies, also exempted from review by Congress and federal agencies other than the Department of Agriculture, watershed work plans in-

Division of Soil Conservation—Continued

volving an estimated federal contribution to the construction cost of \$250,000 or less and not containing any single structure providing more than 2,500 acre-feet of total capacity.

This stimulated the program, and interested factions quickly realized that with the aforementioned provisions the several states would soon be vying for available federal moneys. California had been allotted one small watershed planning party by the U. S. Soil Conservation Service. Experience indicated that this planning party could plan from four to six small watersheds annually, depending on their size. To augment this federal force so that California could be in a more favorable position to utilize federal moneys as they became available, the Legislature approved as a budget line item in the 1957 General Session two small watershed planning parties to be assigned to the Division of Soil Conservation. Since the Governor had designated the Soil Conservation Commission as his agent to consider small watershed applications as a required step in the procedure, it appeared at first logical to place the small watershed planning parties in the Division of Soil Conservation.

To date the authorized planning parties have not been fully implemented. As the authorized positions are filled, they are being integrated into the federal planning party to insure consistency in planning and compliance with federal regulations. This is commendable and it is possible that planning will be expedited. However, before the project gets to the planning stage, its application for planning must be approved.

It soon became apparent to the Soil Conservation Commission that the mere submission of an application needed very careful consideration; also that field examinations by all agencies involved was necessary before the commission could consider it. It was found that some applications had already been approved for planning which should never have even been considered and when the preliminary plan for the Upper Chino Basin Watershed had been completed, the Department of Water Resources objected to several of its phases which brought that project to a standstill. Since the Department of Water Resources must recommend these projects for state funds for land, easements, and rights of way, it would appear that it should have a formalized responsibility in the planning stage to insure that its conditions are met and to preclude the possibility of wasting time and money in planning watersheds along lines not acceptable to the department.

The Soil Conservation Commission recognized this problem and invited comments from all agencies which could conceivably be involved in a project as to their respective assumed responsibilities. At the present time, the commission is establishing criteria for the acceptance of applications and is formulating steps to be followed. However, this type of activity is new to the commission, since its primary responsibility before the advent of small watershed activities was and is to provide nontechnical aid to soil conservation districts. The Soil Conservation Commission and the Division of Soil Conservation are naturally interested in the small watershed program because of the vital benefits

Division of Soil Conservation—Continued

possible to the soil and water economy of the State, but the necessity of assigning the difficult job of co-ordination of the many involved phases of each small watershed project to the commission is questionable. Both the commission and the division have made conscientious efforts to iron out the problems which have evolved, but it is our opinion that such a task should not be assigned to an agency of State Government which must start from nothing to gear itself in personnel and familiarization, when another state agency already has all the technological background to assume the responsibility. *We recommend that the small watershed activity involving state responsibility be transferred in its entirety to the Department of Water Resources for the following reasons:*

1. The Department of Water Resources is responsible for the final recommendation for state aid to local districts to defray the costs of land, easements, and rights of way.

2. It now possesses the technological and economist personnel required to perform investigation and planning. If another agency, state or federal, performs watershed planning, Water Resources must perform an independent survey for its recommendations to the Legislature. Consequently, if the primary responsibility were transferred to the department, one step would be eliminated, with commensurate savings, and the project would proceed with the approval of all agencies involved.

3. It would serve as a strong co-ordinator of all factions interested in the plan because of its previous experience in joint federal-state water ventures. This same factor would insure compliance with its requirements by all participants at the inception of the project.

4. It would insure complete integration of small watershed planning into the various and involved phases of the State Water Plan.

5. It employs personnel capable of providing the necessary and technical aid to local districts in the preparation of applications. This is a very important responsibility and one which could conceivably save both the Federal and the State Governments considerable money, since it is necessary to be able to identify infeasible or marginal projects when they are first considered for application.

To enable complete transfer of small watershed activities for an effectively co-ordinated program, it will be necessary for the Governor to transfer his designation as to the state agency responsible for receiving applications for small watershed projects from the State Soil Conservation Commission to the Department of Water Resources. This is important because, as we have pointed out in this analysis, the agency responsible for passing on the application must also be the agency co-ordinating the entire state-federal participation.

If this recommendation is effected by the Legislature, the Division of Soil Conservation will maintain a position as a participating agency, similar to the U. S. Forest Service, the Division of Forestry, the Bureau of Land Management and others. We feel that in vesting the responsibility for small watershed projects in the Department of Water Resources, the many problems inherent in the program today will be

Division of Soil Conservation—Continued

more readily resolved and state participation in this very important program will be expedited.

If the transfer of watershed planning is approved, the budget of the division will be reduced by \$252,632 for this function. It is further recommended that a budget item not to exceed \$225,000 be appropriated to the Department of Water Resources to absorb this new function. The department has trained technologists already in its employ as well as equipment which can be used to a certain extent in this program. It is therefore our opinion that the Department of Water Resources will be able to absorb this new function at a cost less than that felt needed by the Division of Soil Conservation inasmuch as the latter had no previous experience in this program, or technologists in its employ. It is felt that an amount agreeable to the Department of Water Resources, the Department of Finance, and recommended by our office can be developed in time for final passage of the Budget Bill.

Grants to Soil Conservation Districts

Chapter 2406, Statutes of 1957, provided for a transfer of \$100,000 annually from the State Lands Act Fund to the State Soil Conservation Commission for grants to soil conservation districts to assist them in carrying out work which they are authorized to undertake. This allotment will begin with the 1958-59 Fiscal Year.

To date, the commission has not ascertained any specific "ear-marking" of this money, but it has invited recommendations from the districts and is currently surveying these suggestions so that the money will be used to the best advantage as desired by the majority of the districts.

Economies and Improvements Requiring Legislation

1. Soil Conservation Development Fund. The Legislature created this fund through the provisions of Chapter 1032, Statutes of 1949, to provide aid to individual soil conservation districts in procuring the equipment necessary to carry on special soil conservation programs within the districts.

The fund was established at \$1,000,000 and was treated as an expenditure from the General Fund in that amount at that time. New equipment is purchased from this fund by the State and is provided to the districts on a lease-purchase basis. Also, used equipment acquired by the districts can be renovated to the special needs of the district through loans from this fund. In either case the size of the payments to the State is determined by an estimate of the life of the equipment and the annual hourly usage applied against the total cost of the equipment plus 5 percent per annum on the total initial cost added to the loan to defray the control and accounting functions provided by the Division of Administration of the Department of Natural Resources.

On June 30, 1957, active loans to the various districts totaled \$196,782. Of this amount \$52,638 was loaned in the 1956-57 Fiscal Year leaving \$144,144 which had been loaned for two years or more. The districts have repaid only \$4,260.33 against these loans. Since the inception of the fund in 1949, \$651,086.34 has been loaned to the dis-

Division of Soil Conservation—Continued

tricts. The districts have repaid only \$381,493.46 against these loans, approximately \$20,000 of which is the administrative charge. Therefore, approximately \$300,000 remains unpaid and it is our understanding that some \$100,000 indebtedness of a few districts has been written off by the department as "uncollectable." This is clearly a misuse of the funds.

The Legislature specifically directed that the Soil Conservation Fund, when used to purchase or renovate equipment or to purchase or construct buildings to house the equipment, was to be reimbursed the full amount and thus be considered a revolving fund. The great majority of the districts are in arrears—some have never made a payment. As of June 30, 1957, only 24 of some 140 districts were using the fund for an average of \$8,200 per district.

The most pertinent factors contributing to this limited usage of the fund appear to be:

1. The high administrative charges attached to the loan increments which results in charges exceeding that available from local loaning services in many cases.
2. The desire of the districts to "trade at home" in securing equipment fitted to their needs as well as to make loans from banks, etc., to maintain local goodwill and local support for the program. This has become a very important factor.
3. The most important factor is the surplus federal property program which makes available to the districts, without charge, surplus federal equipment. This has been a great boon to the districts and practically nullifies the need for the revolving fund.

Because of the fact that only 17 percent of the districts avail themselves of the fund, because the districts have been so negligent in repaying the State and because of the factors outlined above, it is our opinion that all moneys remaining in the Soil Conservation Development Fund should be returned to the General Fund and the responsibility for collecting debts payable to this fund should be transferred to the Controller. To effect this transfer, legislation must be enacted since the fund was set up by the Legislature through the provisions of Chapter 1680, Statutes of 1955.

2. The position of secretary to the Soil Conservation Commission was also set up by statute. This position is no longer filled, since the former secretary has been absorbed into the division as a senior soil conservationist and the division chief now serves as secretary to the commission.

Because of the present law, the division is required to provide for this position in the budget and must reduce the final budget by including the cost of the position in "salary savings."

Therefore, since there is no intention to fill this position, we recommend that legislation be enacted to dispose of it.

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

ITEM 191 of the Budget Bill

Budget page 473

FOR ALLOTMENT TO SOIL CONSERVATION SERVICE FOR PLEASANTON PLANT MATERIALS CENTER FROM THE SOIL CONSERVATION DEVELOPMENT FUND

Amount requested	\$35,000
Estimated to be expended in 1957-58 Fiscal Year	30,000
 Increase (16.67 percent)	 \$5,000

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	\$5,000
 Total reductions	 \$5,000

GENERAL SUMMARY

Since 1954 the State has engaged in a co-operative program with the U. S. Soil Conservation Service to insure continued operation of the Pleasanton Plant Materials Center which was formerly completely supported by federal funds. Had the State not offered to support this program, it is probable that the center would have been closed due to insufficient federal funds.

The primary objective of the center is to develop grass species for conservation purposes. It carries on its program through approved formalized projects in co-operation with the California agricultural experiment station whose objective is to develop better cereal grasses, etc., and with other state, federal, and private agencies.

The program of the center provides for:

1. Mass screening of observational testing of native and introduced planting materials.
2. Secondary testing in field evaluation plantings.
3. Final testing on farms in soil conservation districts.
4. District seed increase (seed production).
5. Maintain foundation seed stocks.

There are five leased field evaluation planting sites located at Sunol—30 acres, Temecula—20 acres, Butte Valley—40 acres, Los Banos—5 acres, and King City—1 acre.

The California Crop Improvement Association certifies all seed and, exclusive of soil conservation districts, the seed is sold at the market price. Where soil conservation districts are concerned each board of district directors appoints seed growers within their district who also must be members of the Crop Improvement Association.

Formerly, the selected seed grower was required to make available 80 percent of the resulting crop to interested users but this stipulation is no longer in effect. Individual district seed growers are in an excellent position to realize a profit inasmuch as their initial seed supply is free and they are allowed to sell their resulting crops at the market price. This factor constitutes a positive incentive for organization of or joining a soil conservation district.

Division of Soil Conservation—Continued

Although the Plant Materials Center indicates that one of its greatest problems lies in gaining public distribution of proven new grasses, the gift of seeds to soil conservation district seed growers nevertheless constitutes an indirect grant of state and federal funds to the districts, and should be considered as such in helping this State to qualify for federal bonus grants to states giving direct grants-in-aid to districts.

ANALYSIS

The request of \$35,000 for the 1958-59 Fiscal Year is to provide matching funds for the operation of the center. It is true that the State's initial participation was on a matching basis but there was no mandate that the cost of the center was to be shared 50-50 in all future participation. We recognize the fact that costs have risen but we do not feel that the State should be committed to absorb 50 percent of any undertaking at the center, especially since its benefits extend beyond any specific agency.

We feel that the \$30,000 participation provided by the State in the past is the level which should be maintained in the budget year and therefore recommend that the proposal be reduced to \$30,000 for a savings of \$5,000.

THE CALIFORNIA PUBLIC OUTDOOR RECREATION PLAN COMMITTEE

ITEM 192 of the Budget Bill

Budget page 474

FOR SUPPORT OF THE CALIFORNIA PUBLIC OUTDOOR RECREATION PLAN COMMITTEE FROM THE GENERAL FUND

Amount requested	\$123,039
Estimated to be expended in 1957-58 Fiscal Year	53,475
Increase (130.1 percent)	\$69,564

RECOMMENDED REDUCTIONS None

ANALYSIS

The California Public Outdoor Recreation Plan Committee was created by the provisions of Chapter 2318, Statutes of 1957, to study all aspects of recreation in the State and devise a plan for the development of recreation of the types necessary to answer the needs of the public.

The committee consists of the Directors of the Departments of Natural Resources, Water Resources, Fish and Game, and Finance, the Chief of the Division of Beaches and Parks, the Executive Officer of the State Lands Commission, the Director of Recreation, and the Superintendent of Public Instruction.

In addition, the committee is to be aided through a technical consultant group and an advisory council. The technical consultant group consists primarily of representatives of governmental agencies with interests in outdoor recreational lands and facilities, as well as agencies performing services vital to the study, whose responsibility it is to assist in developing the methods and techniques of securing pertinent data for production of the plan, and to review the plan as it is developed.

The California Public Outdoor Recreation Plan Committee—Continued

The advisory council consists primarily of organizations which represent the public's interest in the use of outdoor recreational areas and facilities.

The responsibility of gathering and evaluating pertinent data, maintaining liaison with all interested groups and factions involved and the ultimate compilation of the report to the Legislature is assigned to the staff of the committee which at the present time consists of an executive officer, an assistant executive officer, a senior stenographer-clerk and an intermediate stenographer-clerk.

The committee estimated that in order to complete the study as proposed by the final reporting date of March 1, 1960, it would need approximately \$100,000 per year for the intervening three fiscal years. However, the Governor reduced the \$100,000 requested in the current fiscal year to \$50,000 because it was presumed that the committee would not be in full operation this fiscal year. This was a valid assumption; however, the staff of the committee feels that a deficiency appropriation is justifiable in the current fiscal year to provide funds sufficient to hire the professional employees needed to institute the surveys for the collection of data germane to the study. Although no workload statistics of such a study are available, the committee has estimated the time that will be needed to make the necessary field contacts and surmises that if it does not get these contacts started now, the press of time will negate as complete a report as is desired. The allocation requested by the committee from the emergency fund for expenditure in the current fiscal year is \$3,475.

We believe that there is one area which has been overlooked which is basic to the determination of the final scope and direction of the study, and that is an inventory and evaluation of the many investigations in the field of recreation which have been completed or are currently in progress. It is imperative that such an inventory and evaluation be made so that not only can areas of need be established, but state money will not be wasted in performing investigations in areas already completely analyzed.

We have contacted the Commonwealth of Massachusetts to secure pertinent data relative to a study recently completed in that state comparable to the one envisioned by the California Legislature. We were desirous of obtaining specific information as to the cost of the study; the number of persons involved and their specialties; the scope of the study; results of the study showing, especially, areas of study which indicated waste of effort, areas which needed more stressing, and finally recommendations by that state as to a suggested approach based on its experience.

Unfortunately, the report of the subject study had not been released to the Massachusetts Legislature at the time of the reply to our inquiries; however, the reply did divulge that the Massachusetts recreation study was comprised of two parts, one of which was a preliminary study completed in June, 1956, and the other devoted to the outdoor recreation resources; that the total cost was only \$50,000 involving a contract with a private firm which used 10 persons at various phases

The California Public Outdoor Recreation Plan Committee—Continued

of the survey over a period of two years. Initial appraisals of the reply indicate that the report dealt to a considerable degree with an inventory of recreation areas available and proposed. Nevertheless, this is the type of report which we feel the California Outdoor Recreation Plan Committee should thoroughly evaluate before determining its approach.

The committee has estimated that a total of \$300,000 will be needed to complete the study. We do not endorse or contest the validity of this estimate; however, we do feel that the committee should present to the Legislature a showing of the existing resource planning materials which have been developed to date by all agencies involved including all presently available manpower used in planning within these agencies, and show how these plans and planners will be able to develop, with outside assistance, a comprehensive recreation plan which when developed and approved can and will be carried out by the regular operational staff and programs of each agency. Unless careful programing of the use of existing staff and program materials is carried out, the proposed study may result in a program which may not be effectively implemented.

We do not necessarily feel that the amount requested in the budget year is excessive; however, accomplishments in the budget year should be sufficient to appraise the study for future needs. We, therefore, recommend approval of this item on the condition that the committee support its request with a presentation of the resources and resource material which is available to assist in the making of this study, co-ordinated with its proposed use of outside assistance.

RECREATION COMMISSION

ITEM 193 of the Budget Bill

Budget page 475

FOR SUPPORT OF RECREATION COMMISSION FROM THE GENERAL FUND

Amount requested	\$104,312
Estimated to be expended in 1957-58 Fiscal Year	102,778
Increase (1.5 percent)	\$1,534

Summary of Increase

	INCREASE DUE TO			Budget Line page No.
	Total increase	Workload or salary adjustments	New services	
Salaries and wages	\$769	\$769	--	475 40
Operating expense	810	810	--	475 52
Equipment	—45	—45	--	475 54
Total increase	\$1,534	\$1,534	--	

RECOMMENDED REDUCTIONS..... None

Recreation Commission—Continued

GENERAL SUMMARY

The Recreation Commission assists localities, state agencies, and private agencies by advising, surveying and reporting on recreation and recreation personnel. The commission was created in 1947 (Chapter 1239, Statutes of 1947) with the following duties:

1. The commission shall cause to be studied and shall consider the whole problem of recreation of the people of the State of California as it affects and may affect the welfare of the people and especially the children and youth.
2. The commission shall formulate, in co-operation with other state agencies, interested organizations and citizens, a comprehensive recreational policy for the State of California.
3. The commission shall, with the written approval of the Governor, establish policies for the guidance of the Director of Recreation in the performance and exercise of his powers and duties as set forth in this act.
4. The commission shall aid and encourage, but not conduct public recreation activities.

The Recreation Commission's function has been, predominantly, as an advisory board to communities and local government. This constitutes only a portion of the overall recreation responsibilities and duties of the State which includes such factors as water development, park development, and preservation of natural resources.

ANALYSIS

The budget as presented represents an increase of 1.5 percent over the 1957-58 Budget. The increases are primarily salary and cost increases.

We have previously recommended the elimination of this agency on the grounds that it is not an essential responsibility of the State Government, and performs no governmental service that cannot be performed at the local level. If the function is to be continued we would recommend the requested budget as the amount necessary to continue the existing level of service.

Economies and Improvements Requiring Legislation

The services provided by the Recreation Commission are primarily to local agencies. The State's responsibility for recreation is being examined and studied by the committee for the development of a California outdoor recreation plan. The commission is one participating agency on the committee for development. We recommend that the functions of the Recreation Commission should be re-examined and evaluated in the light of the State's responsibilities for recreation on a statewide basis, with the assistance of the findings of the committee for development of a California outdoor recreation plan.