

Control Section

CONTROL SECTIONS

SECTION 3 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section proposes to transfer to the General Fund that portion of the unencumbered balance in the Department of Employment Contingent Fund determined to be in excess of \$100,000 during the 1959-60 Fiscal Year. The budget estimates that, after providing for administrative costs and for capital outlay projects, there will be \$557,421 available for such transfer.

Although we recommend approval of this proposed transfer, in our analysis of Item 417.1 for additional support of the Department of Employment from this fund in the amount of \$206,288, we have recommended that that item be disapproved. Therefore, if Item 417.1 is not approved the transfer in this section will be increased by \$206,288.

SECTION 4 OF THE BUDGET BILL

RECOMMENDATION

We recommend changes in this section.

This section provides that any capital outlay project with the exception of minor projects and equipment payable from specified funds named in the Budget Bill shall be subject to the provisions of Section 15790 of the Government Code. In effect, this requires the action of the Public Works Board before expenditures can be made from the appropriation. This is a continuation of a long standing policy of the Legislature.

We would like to point out that heretofore the policy as contained in similar sections in prior budget acts included equipment as being required to be acted upon by the Public Works Board. The section as now written specifically excepts equipment. Since there are very substantial sums contained in this Budget Bill for equipment projects for various state institutions we believe that the same scrutiny should be accorded equipment as is the case with construction projects. Consequently, we recommend that the word "equipment" be stricken from the section as written.

SECTION 5 OF THE BUDGET BILL

We recommend approval.

This section provides that any acquisition of land or other real property excepting from the Flood Control Act of 1946 or the Investment Fund, shall be subject to the provisions of the Property Acquisition Law. This is the first time that acquisition of land or property has been specifically set forth in a separate section of the Budget Bill. However, the same effect has previously been achieved by including acquisitions under the section which dealt with construction projects and the requirement that they be approved by the Public Works Board. This section achieves essentially the same result.

SECTION 6 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section continues a long-established policy of the Legislature which requires that all major projects first receive preliminary plan approval from the Public Works Board before working drawings can be started. Also, it requires that no bids may be requested for construction where the working drawings have been requested to be reviewed by the Department of Finance and their approval and release has not first been given. The section also provides that no substantial changes may be made in working drawings from the basic preliminary plans as approved by the Department of Finance and the Public Works Board. Finally, it provides that no equipment money may be spent without prior approval of the Department of Finance. The University of California is specifically exempted from the control of this section.

SECTION 7 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section is similar to Section 4.1 which was added to the Budget Act of 1957 for the purpose of giving legislative approval to the active policy of the University of California whereby it uses savings from capital outlay appropriations for augmentation of other capital outlay projects already approved by the Legislature which were short of funds for various reasons. The section also specifically provides that such savings may not be used in furtherance of projects which have not been specifically authorized by the Legislature. The section also requires that the Regents of the University of California submit to the Public Works Board a report of all allocations of savings.

SECTION 8 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This item would extend by one more year from June 30, 1959, to June 30, 1960, the availability for expenditure of certain prior appropriation items which would otherwise expire on June 30, 1959. These items all require this extension in time primarily because of various difficulties which were encountered in the development of the projects involved. For example, the first item in the list is for Fricot Ranch School for Boys Item 289b of the Budget Act of 1951, which was an initial appropriation of \$25,000 to start the replacement of the existing open water ditch with a permanent pipeline. This would have been the first increment of a series of probably five increments. Expenditures from this item have been delayed principally because of extremely complex easement and right-of-way problems which must all be cleared up before construction equipment can get into the otherwise inaccessible area. The other items in the list were held up for many other reasons, all of them which we believe to be legitimate and justifiable.

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SECTION 9 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

The Budget Act of 1957 provided a group of capital outlay items for the construction of dormitories at the various state college campuses. The appropriations were for the full amount of the cost of these dormitories, but in some cases the language required that bond money at an interest rate not to exceed 2.875 percent was to be available for 50 percent of the cost of the specified projects. This was based on the understanding that the Federal Government would provide loans at that rate of interest for half the cost of residence hall projects. This section proposes to assure that when the federal funds become available they will be deposited in the State Construction Program Fund as part of the unappropriated balance therein. The result will be that the dormitories will be financed 50 percent by federal loans repayable by the colleges to the Federal Government and 50 percent by proceeds from the State's general obligation bond sales.

SECTION 10 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section would revert the balances remaining in Chapters 10 and 11 of the Statutes of 1956, First Extraordinary Session, which were appropriations for the expenses of the Assembly and Senate for the extra session. It would also revert the appropriation of \$6 million for preliminary plans made by Section 429.1 of the Budget Act of 1956. It has been previously pointed out that this item has not been used and has not been needed because there were ample funds available for preliminary plans from prior appropriations payable from the Capital Outlay and Savings Fund.

This section would also revert a remaining balance of approximately \$466,000, which has been carried for some years, from an appropriation of \$2 million made by Chapter 146 of the First Extraordinary Session of 1946 for the purchase of state forests. Apparently the money is no longer needed for the purpose.

SECTION 11 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section would revert unexpended and unneeded balances in appropriations made by Item 342.5 of the 1957 Budget Act for construction at the two campuses of the California Polytechnic College from the State College Fund and Item 327 of the Budget Act of 1956 for minor construction at Fresno State College from the State College Fund.

SECTION 12 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

Item 432 of the Budget Act of 1958 provided \$22,908,446 from the General Fund to be transferred to the Capital Outlay and Savings Fund to make it solvent. It now appears that this full amount is not

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necessary and the transfer can be reduced to \$13,768,464. This section reverts the savings to the General Fund.

SECTION 13 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section proposes to transfer to the General Fund the sum of \$1,940.88 from the State Water Pollution Control Fund and \$5,310.08 from the Soil Conservation Development Fund. The amounts represent interest earnings on deposits in the Surplus Money Investment Fund.

SECTION 14 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section transfers a portion of the appropriation made under Chapter 2 of the Statutes of 1958, Second Extraordinary Session (\$505,000) from the Investment Fund to the Emergency Fund as reimbursement for expenditures made in the amount of \$376,109 from the Emergency Fund due to increased salary ranges established during Fiscal Year 1957-58 (after December 1, 1957) by the State Personnel Board or other salary-fixing authority.

SECTION 15 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section is for the purpose of returning from the Capital Outlay and Savings Fund to the Wildlife Restoration Fund a small sum of money which was inadvertently placed in the Capital Outlay and Savings Fund from savings on the construction of the Crystal Lake Hatchery. The savings properly belong in the Wildlife Restoration Fund.

SECTION 16 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

The purpose of this section is to provide for transfer to the General Fund such money in the State Buildings Sinking and Interest Fund determined to be in excess of that required to retire the principal amount, or \$3,000,000, of Sacramento State Buildings Bonds of 1913. The sum of \$84,982 is scheduled for transfer.

SECTION 17 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section provides that no money appropriated by this act shall be used to pay the salary of any authorized state position which was vacant or continuously unfilled between October 1, 1958, and July 1, 1959, except with the specific approval of the Director of Finance subsequent to July 1, 1959.

This section also provides that the Director of Finance shall make a report of all positions vacant for the period specified to the Joint Legis-

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lative Budget Committee not later than 30 days prior to the convening of the 1960 Regular Budget Session of the Legislature. A report of positions authorized to be filled and positions abolished pursuant to this section is also required.

SECTION 18 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section allows the university and the state colleges to incur salary obligations in the amount of \$1,500,000 (university) and \$1,500,000 (state colleges) by appointment of staff in 1959-60 for 1960-61. The intent of the authorization is to assist in maintaining current academic standards and faculty-student ratios relative to expanding enrollments. This is a problem which is peculiar to the educational institutions in that recruitment is based on annual commitments and the ability to recruit in advance of actual availability of funds. It assists the State in securing the most qualified academic personnel at minimum salary cost.

SECTION 19 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section provides that the Department of Finance must investigate and establish the necessity for the acquisition or replacement of motor vehicles. It also provides that all passenger automobiles shall be of the light class, except for constitutional officers or unless the Director of Finance determines that unusual requirements would justify a heavier class automobile.

SECTION 20 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section establishes the same restriction of light automobiles for the Department of Public Works as is provided by Section 19.

SECTION 21 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section prohibits the purchase of furnishings for any house or apartment of three or more rooms other than a dormitory, except for a superintendent of an institution, warden, or physician.

SECTION 22 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

The provisions of this section prohibit the use of funds appropriated by this act for the purchase of equipment or supplies for employee cafeterias or cafeteria type blind vending stands unless such facilities have previously been established or the amounts therefor are expressly authorized by this act.

SECTION 23 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section restricts expenditures for rugs or carpets for state offices.

SECTION 24 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section interprets the meaning of the words, terms and phrases contained in the categorical schedules of the Budget Act items. The section also restricts expenditures from appropriations made in the Budget Act to categories or projects set forth in the Budget Act schedule, except as otherwise provided in other sections of the Budget Act.

SECTION 25 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section authorizes the Director of Finance, upon the request of an agency to which an appropriation is made, to transfer amounts between categories or between projects designated in any schedule of an item of appropriation. The section provides further that the Director of Finance shall present to the Joint Legislative Budget Committee assembled in meeting a report on all authorizations given pursuant to this section during the preceding quarter.

SECTION 26 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section permits the Director of Finance to augment appropriations in the Budget Act where additional amounts are received from state, local, or Federal Government agencies or other sources, which are in excess of the amount considered in determining such an appropriation. Conversely, it permits the Director of Finance to reduce appropriations in the same manner.

Line 36 of this section should be amended to change 1958-59 to 1959-60.

SECTION 27 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval of this section.

This section permits the payment of premiums for official bonds covering a period in excess of one fiscal year.

SECTION 28 OF THE BUDGET BILL

RECOMMENDATION

We recommend approval.

This section provides that an expenditure authorized from the Emergency Fund, Salary Increase Funds, Price Increase Funds, or from a special fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by the Budget Act, is deemed an augmentation and increase of the appropriation made by the Budget Act.

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RECOMMENDATION SECTION 29 OF THE BUDGET BILL

We recommend approval.

This section provides that appropriations under this act shall be expended in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance. Provision is made for Salary Savings Reserve.

RECOMMENDATION SECTION 30 OF THE BUDGET BILL

We recommend approval.

This section prohibits officers of state agencies who receive appropriations in the Budget Act from making expenditures in excess of such appropriations without the consent of the Department of Finance.

RECOMMENDATION SECTION 31 OF THE BUDGET BILL

We recommend approval.

This section provides that if any item in this act is eliminated or vetoed by the Governor it will not affect the other appropriations in the act.

RECOMMENDATION SECTION 32 OF THE BUDGET BILL

We recommend approval.

This is a savings clause to protect the Budget Act should a portion of it be declared unconstitutional.

RECOMMENDATION SECTION 33 OF THE BUDGET BILL

We recommend approval.

This section provides that the Budget Act shall take effect immediately as prescribed under the provisions of Section 1 of Article IV of the State Constitution.

RECOMMENDATION SECTION 34 OF THE BUDGET BILL

We recommend approval.

This section declares the Budget Act of 1959 an urgency measure and defines the urgency, for purposes of immediate effect as provided in Section 33.