

MINUTE ITEM

12. (PROPOSED BUDGET, 1958-59 FISCAL YEAR - W. O. 2668.)

After presentation of Calendar Item 24 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION APPROVES THE PROPOSED BUDGET, STATE LANDS DIVISION, FOR THE FISCAL YEAR 1958-59 IN THE TOTAL AMOUNT OF \$879,188, INCLUSIVE OF CONTRIBUTIONS TO THE STATE EMPLOYEES RETIREMENT FUND. THE APPROVAL IS TO BE SUBJECT TO FINAL REVIEW AND APPROVAL BY THE DEPARTMENT OF FINANCE. FURTHER, IN CONNECTION WITH THE APPROVAL OF THE BUDGET THE COMMISSION APPROVES SPECIFICALLY THE ESTABLISHMENT OF POSITIONS AS FOLLOWS:

MINERAL RESOURCES SECTION:

SENIOR OIL AND GAS ENGINEER	1
ASSISTANT MINING GEOLOGIST	1

LAND SALES AND RECORDS SECTION:

SENIOR TYPIST CLERK	1
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AND APPROVES THE CONTINUANCE OF THE FOLLOWING POSITIONS ON A PERMANENT BASIS:

EXECUTIVE:

JUNIOR COUNSEL	1
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ADMINISTRATIVE SERVICES:

INTERMEDIATE STENOGRAPHER CLERK	1
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Attachment

Calendar Item 24 (3 pages)

CALENDAR ITEM

SUPPLEMENTAL

24.

(PROPOSED BUDGET, 1958-59 FISCAL YEAR - W. O. 2668.)

Revenue trend and workload factors, regarded as the most reliable barometers available, indicate that the State Lands Commission is entering a period of unprecedented activity during the current and forthcoming years.

The following appear to be significant:

REVENUES	<u>1955-56</u>	<u>1956-57</u>
State Lands Act Fund	\$16,465,752	\$19,772,423
School Fund	29,264	33,514
School Land Fund	748,093	1,244,128
Investment Fund	<u>-0-</u>	<u>19,957,134</u>
Total Revenues, all Funds	\$17,243,109	\$41,007,199

	<u>1956-57</u>	<u>1957-58</u>
Transactions in Process, July 1	741	953

Attention is invited to the fact that there was an increase of transactions in process at the beginning of the two periods of 29%. Based on its backlog of July 1, 1957, the Division had a workload of more than 18 months in sight. Other factors of major import are:

1. Legislation - Forty bills affecting the Division's operations were enacted in 1957. The Legislature directed resumption of action under the Cunningham-Shell Tidelands Act through the passage of Chapter 2166/57. Hence, a considerable increase in offshore leasing activity is anticipated.
2. Litigation - The Division is involved in litigation containing billion dollar values in Orange County vs. State, while the Santa Barbara annexation, land sale disputes, and 167 Federal condemnations all add to the work to be handled.
3. The demand for State public (school) lands continues at an unprecedented rate.
4. The Division is just beginning to feel the full impact of operations under the provisions of Chapter 29/56, 1st E.S., with the City of Long Beach. The workload in connection with this program is constantly increasing.
5. The 1957 Legislature enacted six statutes requiring the Division to survey, monument and plat the boundaries of tide and submerged land areas granted to political subdivisions of the State.

SUPPLEMENTAL 24. (CONTD.)

In short, the revenue trend and workload barometers relating to the Division's activities are reaching new highs.

The Support Budget being presented for the 1958-59 Fiscal Year though planned economically, realistically takes into account the Division's requirements. Its total of \$824,397 represents an increase of only \$5,401 over the current year budget, an increase of .6%. It provides for three new positions as follows: Mineral Resources Section: 1 Senior Oil and Gas Engineer, 1 Assistant Mining Geologist (these are technical positions designed to assist in handling increased workload); Lands Sales and Records Section: 1 Senior Typist Clerk - to reduce the backlog of land sales transactions. The budget also incorporates on a permanent basis a stenographic position in Los Angeles which has formerly been financed by reimbursements. Additionally, it continues the position Junior Counsel established with Commission approval during March, 1957.

A comparative summary and analysis of the current and proposed budgets follow:

State Lands Division

	<u>Estimate 1957-58</u>	<u>Proposed 1958-59</u>	<u>Increase or Decrease</u>
No. of Positions	91	92	+ 1
Administration - Support	\$818,996	\$824,397	5,401 (+.6%)
Contributions to State Employees Retirement Fund	<u>52,480</u>	<u>54,791</u>	<u>2,311</u>
Total Expenditures for Support	\$871,476	\$879,188	7,712 (+.9%)

Comparison by Object Category

<u>Description</u>	<u>Current Yr.</u>	<u>Budget Yr.</u>	<u>Difference</u>
Salaries and Wages	\$572,921	\$598,152	+ 25,231
Operating Expenses	301,408	272,915	- 28,493
Equipment	<u>12,608</u>	<u>10,071</u>	- <u>2,537</u>
Total Allotments	\$886,937	\$881,138	- 5,799
Estimated Reimbursements	- <u>67,941</u>	- <u>56,741</u>	+ <u>11,200</u>
Net Expenditures	\$818,996	\$824,397	+ 5,401

SUPPLEMENTAL 24. (CONTD.)

Salaries and Wages: Costs for 1958-59 show an increase of \$25,231, or 4.4%. Amount is composed of normal salary adjustments, \$3,540; proposed new positions, \$21,516; and a decrease of \$605 in estimated salary savings.

Operating Expenses: Allotments requested for operating expenses for the budget year are estimated at \$28,493 less than for the current year. Reduction is due primarily to elimination of special projects, "Indexing State Lands", and "Appraisal Remaining State School Lands".

Equipment: Allotments requested, budget year, are estimated at \$2,537 less than for current year. Decrease is due primarily to reduction in automotive equipment requirements.

Reimbursements: Reimbursements are estimated to decrease by \$11,200 due primarily to an inability to forecast at the present time the quantity of reimbursable work to be undertaken during the budget year.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE PROPOSED BUDGET, STATE LANDS DIVISION, FOR THE FISCAL YEAR 1958-59 IN THE TOTAL AMOUNT OF \$879,188, INCLUSIVE OF CONTRIBUTIONS TO THE STATE EMPLOYEES RETIREMENT FUND. THE APPROVAL IS TO BE SUBJECT TO FINAL REVIEW AND APPROVAL BY THE DEPARTMENT OF FINANCE. FURTHER, THAT IN CONNECTION WITH THE APPROVAL OF THE BUDGET THE COMMISSION APPROVE SPECIFICALLY THE ESTABLISHMENT OF POSITIONS AS FOLLOWS:

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