"Equipment - Estimated costs are $2,413 higher than for the current year. Requests are nominal, including necessary replacement items, a badly needed microfilm reader for the Sacramento office and one additional automobile for the Long Beach office staff.

"Other Current Expenses - The Division is requesting $27,000 with which to set up in the Sacramento office an 'Index of Lands Under the Jurisdiction of the United States'. The establishment of this index is mandatory under the provisions of Section 127, Government Code.

"Work was begun on this project through use of the staff; however, the complexities and ramifications of the work are such that it now appears advisable to pursue this project on a contract basis. A great deal of research and investigation is involved. The staff affords no personnel with adequate training in this field. Further, due to normal commitments, staff personnel is not available to work on the project.

"The foregoing summarizes the Division's budget presentation for the forthcoming fiscal year. The staff believes that the budget to be presented is realistic, economical and worthy of Commission approval."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE COMMISSION ADOPTS A RESOLUTION APPROVING THE PROPOSED BUDGET, STATE LANDS DIVISION, FOR THE FISCAL YEAR 1957-58, IN THE TOTAL AMOUNT OF $792,254 AS HERETOFORE SUMMARIZED; SAID APPROVAL TO BE SUBJECT TO ANY CHANGES OR MODIFICATIONS MADE BY THE DEPARTMENT OF FINANCE IN ITS FINAL REVIEW OF THE AGENCY'S BUDGET.

23. (SALARY ADJUSTMENTS, ASSISTANT EXECUTIVE OFFICER AND MINERAL RESOURCES ENGINEER - PERSONNEL.) The following report was presented to the Commission:

"In August of 1956 the Executive Officer requested the State Personnel Board to study the salary ranges of the two supporting positions, Assistant Executive Officer and Mineral Resources Engineer. In so doing, he recommended a two-step increase in the ranges of the two classifications based on the following considerations:

1. A five-step differential exists between the salary range of the Executive Officer and the Assistant Executive Officer.

2. In 1950 the State Personnel Board found that the duties and responsibilities of the Mineral Resources Engineer exceeded those being performed by other positions at the Senior Engineering level, yet it fixed the salary range for the classification at the Senior Engineering level. Since that finding there has been a material increase in the responsibilities assigned this position and that of the Assistant Executive Officer.

3. The Mineral Resources Engineer presently supervises a Senior Civil Engineer, a classification with a like salary range. From an organizational standpoint this situation is unsound.

"The staff of the State Personnel Board has advised that it does not feel justified in recommending more than a one-step increase for the classifications involved, and that it proposes to so recommend to the Board.

"The Executive Officer feels that his recommendation to the Board is well justified for the reasons heretofore advanced. (A resume of this matter is to be found in the attached Exhibit 'A'.)"

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE STATE LANDS COMMISSION APPROVES THE RECOMMENDATION MADE BY THE EXECUTIVE OFFICER TO THE STATE PERSONNEL BOARD RESPECTING SALARY ADJUSTMENTS FOR STAFF CLASSIFICATIONS AS FOLLOWS:

	SALARY RANGE	
	PRESENT	PROPOSED
ASSISTANT EXECUTIVE OFFICER	$710. - $862.	$782. - $950.
MINERAL RESOURCES ENGINEER	$676. - $821.	$745. - $905.

FURTHER, IT FINDS THAT SUCH SALARY RANGE ADJUSTMENTS ARE IN THE BEST INTERESTS OF THE STATE, AND HEREBY DIRECTS THE EXECUTIVE OFFICER TO PRESENT ITS ACTION IN THIS MATTER TO THE STATE PERSONNEL BOARD AT SUCH TIME AS THIS SALARY MATTER RECEIVES CONSIDERATION.

STANDARD B & P "NOTEAR"

STANDARD B & P "NOTEAR"

STANDARD B
STANDARD E & P "NOTEAR"

EXHIBIT "A"

SALARY ADJUSTMENTS - ASSISTANT EXECUTIVE OFFICER
MINERAL RESOURCES ENGINEER

In awareness of his administrative responsibility, the Executive Officer caused a study to be made early in this fiscal year to determine whether salary ranges of the two supporting positions, Assistant Executive Officer and Mineral Resources Engineer, were adequate.

The following evidence resulted:

1. The salary range for the classification Assistant Executive Officer (710. - 862.) was found to be two steps below the supervisory engineering level (782. - 950.), and thus below that of comparable positions in other State organizations.

2. The salary range for Mineral Resources Engineer (676. - 821.) was found to be fixed at the Senior Engineering level (676. - 821.). In 1950 in connection with the study of this position, the State Personnel Board made the following observation:

   "The incumbent Senior Oil and Gas Engineer in the Division of State Lands has the same regulatory responsibility with respect to oil and gas operations on State-owned lands as incumbents in the class Senior Oil and Gas Engineer in the Division of Oil and Gas have with respect to privately-owned lands. In addition, the former has the following responsibilities:

   a. Making determinations relating to exploration for the development of mineral resources, other than oil and gas, on public lands owned by the State or under its control. Such mineral resources include gold, uranium, borax, soda ash, talc, volcanic cinders, sand, and gravel.

   b. Tabulating production data and computing royalties payable to the State."

   "These additional duties and responsibilities are not encompassed in the present class of Senior Oil and Gas Engineer and the staff is therefore proposing a new class of Mineral Resources Engineer."

   (Underscoring added.)

   Despite this acknowledgment of additional duties, the Board fixed the salary range for the new classification at the Senior Engineering level.

3. A study of the salary ranges for the two classifications had not been made by the State Personnel Board since July, 1953.

4. In the intervening period to July, 1956, three broad new programs had been assigned the State Lands Division: Chapter 1850/55, the Small Craft Harbors Act; Chapter 1724/55, the Cunningham-Shell Tidelands Act, and Chapter 29/56, 1st E.S., a program providing for the distribution between the State and the City of Long Beach of oil and gas revenues derived from tidelands granted the city.

   There had been a substantial increase in the Division's general work load.

   All of these factors resulted in a material increase in the work to be performed and supervised by, and in the responsibilities of the two positions under consideration.

5. In connection with the Long Beach program, the Mineral Resources Engineer was assigned supervisory responsibility over a Senior Civil Engineer, a classification possessing a like salary range to that of Mineral Resources Engineer.

6. The salary ranges of the two classes under consideration could be advanced without impinging on that of the Executive Officer 1000. - 1100.).

Due consideration having been given to the foregoing facts, the Executive Officer reached a conclusion that salary adjustments were warranted as follows for the two positions:

	Present	Recommended
Assistant Executive Officer	710. - 862.	782. - 950.
Mineral Resources Engineer	676. - 821.	745. - 905.

These adjustments were necessary:

1. To maintain parity with salaries being paid for like services being performed in other State agencies.

2. To compensate the positions in accordance with assigned duties and responsibilities.

3. To reflect, salarywise, the hierarchy of the Division's organization.

A recommendation to this effect was forwarded to the State Personnel Board on August 24, 1956 (see letter attached). Lacking an acknowledgment of this communication, a follow-up was sent the Board on October 15, 1956. Thereafter on October 30 the Division received, informally, a draft of a proposed calendar item respecting this matter which, it was indicated, is to be presented to the State Personnel Board at its meeting of November 30 - December 1, 1956.

Summarized, the draft acknowledges receipt of the request. It sets forth the considerations, and therein indicates the salary levels of the two classifications are as heretofore stated. It states that it believes there is justifi-

cation for an increase based on growth of the Division and the addition of new functions by reason of recent legislative enactments. It agrees that a large part of these functions must be carried by these two individuals. But, it concludes that only a one-step increase appears justifiable. This conclusion is based on the fact that a management analysis study of the Department of Finance is in progress "which may have some influence on the organizational relationships in the future", and "the staff is reluctant to recommend more than one step at this time".

In view of the State Personnel Board's conclusion, the Organization and Cost Control Division was contacted on this matter. The analyst, in charge of the study of the State Lands Division, has expressed himself thusly on this subject: Our study relates to the functions being performed by, and the organization of, the State Lands Division. It does not relate to salary rates, nor ranges for positions, which is a matter under jurisdiction of the State Personnel Board.

Based on the foregoing, the following facts seem fairly obvious:

> The matter of salary determination rests with the State Personnel Board.
>
> If, currently, duties being performed and internal salary relationships warrant a two-step adjustment, as the Executive Officer thoroughly believes, and as the State Personnel Board acknowledges, then such adjustment should be made at this time. One salary step should not be withheld based on a prospective change in duties or responsibilities that may or may not occur at some future date, as the result of the study being made by the Division of Organization and Cost Control. As of the time that such change is made, it will then be in order for the State Personnel Board to re-study the two positions and determine whether further salary adjustments are necessary.

The Executive Officer feels that his recommendation is sound and that the State Personnel Board's conclusion is based on a nebulous condition unworthy of current consideration.

In view of the difference of opinion on this subject, the Executive Officer now asks that the State Lands Commission, who by intimate contact is fully aware of and has had the opportunity to judge the services being rendered by these two positions, adopt a resolution recommending to the State Personnel Board that the salary ranges for the two positions in question be adjusted as proposed by the Executive Officer.

LETTER DIRECTED TO THE STATE PERSONNEL BOARD
IN RE SALARY ADJUSTMENTS

Mr. John F. Fisher
Executive Officer
State Personnel Board
801 Capitol Avenue
Sacramento, California

August 24, 1956

Pers.

Salary of Staff Members,
State Lands Division

This letter is with further reference to the matter of our conversation Wednesday, August 15, 1956 respecting the salary ranges of the positions Assistant Executive Officer and Mineral Resources Engineer, State Lands Division. If I recall correctly the conclusion as of the close of that meeting was that we should submit a recommendation to you respecting appropriate salary ranges for these two positions.

Since the date of our conversation I have had an opportunity to give this matter further consideration and feel that in view of the facts to be hereafter detailed the following salary ranges should be recommended for your consideration:

	RANGE	
	Present	Recommended
Assistant Executive Officer	710.-862.	782.-950.
Mineral Resources Engineer	676.-821.	745.-905.

The current salary of the Executive Officer is $1100.

The adjustment as recommended will restore the salary relationships between the positions Executive Officer, Assistant Executive Officer, and Mineral Resources Engineer to their relative status from 1948 to 1953.

As you are aware, the Assistant Executive Officer has been delegated the authority and must take full responsibility for all administrative and technical decisions relating to our operations during my absence. Such responsibility falls to the Mineral Resources Engineer in the absence of both senior officers.

Since the last study made by your staff of these two positions, as reported to Mr. James S. Dean, Director of Finance, October, 1953, there has been a material expansion of the duties and responsibilities assigned the incumbents in all positions.

Among the additional duties assigned the State Lands Commission which should be brought to your attention as evidence of this additional work load are the following: The assignment, under the provisions of Ch. 1830/55, of a program for the development of small craft harbors throughout the State; the development, under Ch. 1724/55, of a widely expanded policy (i.e., permits "wildcatting") respecting the issuance of leases for the extraction of oil and gas from

tide and submerged lands; the assignment to the Division under the provisions of Ch. 29/56, 1st E.S., of a program providing for the distribution between the State and the City of Long Beach of oil and gas revenues derived from tidelands granted to the City of Long Beach; the recent unprecedented demand by the public to purchase State-owned "school" lands or federal lands in exchange thereof.

Each of the legislative actions, above cited, provided for broad general programs, and much could be written respecting their impact on the Division's operations and the problems they have created--organizationally, legally, and otherwise. Without going into detail respecting them, let me here state that the problems have been many and difficult of solution. It is my feeling that the able assistance and acute analysis of our problems, furnished by the two supporting positions under discussion, have had much to do with our accomplishments.

With respect to personal accomplishments I should like to call your attention to the following. During the past year in addition to the multiplicity of the other activities he has carried on, Mr. Watson, Assistant Executive Officer, negotiated a lease (Utah Construction Company), which over the course of its life will net the State approximately one million dollars in rental revenue. Mr. Hortig, Mineral Resources Engineer, has ably and skillfully analyzed our new statutes relating to offshore oil and gas production for the purpose of designing operable rules and regulations under the statutory provisions. His analysis of the Cunningham-Shell Tidelands Act, as presented to Legislative Interim Committees, has, I am sure, furnished evidence that will aid the Legislature in amending this enactment so that both industry and the State will benefit through a more facile law.

It is my observation that oftentimes in considering rank and status in State Government much weight is placed on the size of the organization and operation--if it is big, it merits high consideration; if small, proportionately less. In the instant case and in considering the positions under discussion, I should like to call your attention to these facts. While our organization is small, the problems it faces are large. In dealing with an industry as powerful as the oil industry, with public demands for lands, with demands for harbor facilities, with litigation stemming from land title disputes; in fact, with programs which result in revenues of upwards of twenty-five million dollars annually, the problems faced are manifold and difficult of solution. The operational records of the Division indicate that its work is skillfully directed and handled.

For the purposes of study by your staff, I am enclosing to your attention newly prepared organization charts indicative of the functional operations of the Division and of its staffing.

RUFUS W. PUTNAM
Executive Officer

FWP:ed

Enc.: Organization Chart
c.c.: Mr. Henry Stefani
Budget Analyst
Dept. of Finance
Room 5066 State Capitol
Sacramento 14, Calif.