

California Legislature Fails to Check Math: Proposed Gold Mining Budget Cut of \$1.8 Million Increases Deficit by \$23 Million, says Gold Pan California

CONCORD, Calif., June 3, 2011 (SEND2PRESS NEWSWIRE) – Gold Pan California (www.goldpancalifornia.com), a gold mining supply shop located in the Bay Area, has been building inventory of gold mining equipment in anticipation of the season re-opening in November. Pointing to a simple desk calculator, owner Mike Dunn cringes, “Can you believe the budget committees have made such a stellar math mistake?” What Dunn is talking about are 2 paragraphs of language tucked in a trailer budget bill which, if passed, will cost the State \$23 – \$70 Million annually and kill the suction gold dredging industry in the Golden State.

While a budget to most people is the sum of income and expenses, in a breathtaking misstep by the California Legislature, the Budget Committees are in the process of voting in a \$1.8 Million cut to the Department of Fish & Game (DFG) budget, which will cost the State \$23 Million annually.

“Math 101 should have kicked this proposal out of the very first Budget Committee hearing,” states Jeff Kuykendall, owner of Proline, a manufacturer of mining equipment in Coulterville. Kuykendall poses the obvious financial question “How did they consider a budget vote when all they had before them was the outgo”?

At the center of the blunder is an anticipated \$1.8 Million deficit from the implementation of new suction dredge mining regulations which will be released in November. The difference between permit fees and proposed program expense is estimated at \$1.8 Million.

But the solution to the deficit lies within the same Budget Committees who have drafted the proposed budget cut. The DFG can’t increase the fees, only the Legislature can.

“The impact to the State budget could be revenue neutral, and the State would benefit from the \$23 Million in revenue,” Dunn says “if they would just do their job.”

The more ominous result of the relatively paltry budget cut will be the permanent closure of suction dredge gold mining, which will put 4,000 miners out of work. The initial cost to the State would be \$23 Million annually, but that cost would continue to increase over time.

The solution sums up easily for Dunn: “If I made a \$1.8 Million investment and got an annual return of \$23 Million I would be pretty financially intelligent.” The reverse is also true. And hopefully, enough Legislators

will pull out their calculators and do the math before it's too late.

About Gold Pan California:

The company was founded in 2008 by Mike Dunn, an international gold mining specialist who has been suction gold dredge mining for 33 years.

For more information visit <http://www.goldpancalifornia.com> .

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