

Office of the Adjutant General  
CALIFORNIA CADET CORPS

ITEM 177 of the Budget Bill

Budget page 594  
Budget line No. 2

For Support of California Cadet Corps From the General Fund

Amount requested -----	\$196,084
Estimated to be expended in 1950-51 Fiscal Year -----	195,170
Increase (0.5 percent) -----	\$914

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$4,490	\$4,490	---	594	27
Operating expense -----	—2,471	—2,471	---	594	48
Equipment -----	—1,105	—1,105	---	594	61
Total increase -----	\$914	\$914	---		

RECOMMENDATIONS

Amount budgeted -----	\$196,084
Legislative Auditor's recommendation -----	196,084
Reduction -----	None

ANALYSIS

Ten additional schools with approximately 250 cadets are being added to this program during the 1951-52 Fiscal Year.

The increase in salaries and wages is due to normal salary adjustments and employment of five instructors for the full year to take care of the training of additional cadets.

DEPARTMENT OF MOTOR VEHICLES

ITEM 178 of the Budget Bill

Budget page 595  
Budget line No. 40

For Support of the Department of Motor Vehicles From the  
Motor Vehicle Fund

Amount requested -----	\$8,934,463
Estimated to be expended in 1950-51 Fiscal Year -----	8,442,647
Increase (5.8 percent) -----	\$491,816

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$420,810	\$371,322	\$49,488	605	40
Operating expense -----	188,699	172,499	16,200	605	41
Equipment -----	—29,893	—49,365	19,472	605	42
Less: Increase in reimbursements -----	—87,800	—87,800	---	---	---
Total increase -----	\$491,816	\$406,656	\$85,160		

RECOMMENDATIONS

Amount budgeted -----	\$8,934,463
Legislative Auditor's Recommendation -----	8,849,303
Reduction -----	\$85,160

## ANALYSIS

The above recommended reduction of \$85,160 is the estimated cost of salaries and wages, operating expenses and equipment for seven new offices. These are at Fort Bragg, Blythe, Oceanside, Antioch-Pittsburg and three additional offices in San Francisco. Each year decentralization increases and it appears that this trend will continue unless a policy determination is made to stop at some point. We believe that too much decentralization is not economical. Furthermore, we are of the opinion that satisfactory service can be given to many areas by mail. This involves a legislative policy determination of just how much personal over-the-counter service is to be given to the public by the Department of Motor Vehicles, and what will be the ultimate cost to the State. An increase in the cost of administration of the Department of Motor Vehicles results in a decrease in funds available for highways. It is possible that the motoring public would benefit more by additional money being spent to improve and maintain our highways than by increased personal service of car registration and drivers license transactions. At present there are 83 motor vehicle offices and 95 auto club offices serving the public. Good service should result from these various localities, and additional offices should be limited to places where added service is absolutely necessary. Therefore, we recommend that no additional funds be approved for new offices, and that the management analysis staff of the Department of Finance make a detailed survey of the actual needs of the Department of Motor Vehicles. The practicability and economy of mail service should be given careful consideration.

An anticipated increase of 7.3 percent in work load for the 1951-52 Fiscal Year has resulted in requests for additional personnel in all divisions. The Division of Registration has requested 21 new positions and 54 man-years of temporary help. The amount for salaries and wages for the 21 new positions is \$50,412.

The 21 new positions are requested for the mechanized unit and appear to be fully justified. However, we believe there should be no further increase in personnel unless a considerable increase in work load occurs. We also recommend that further utilization be made of this mechanized unit to perform certain functions that are now being done manually. When these functions are mechanized, a reduction in the budget should occur. The growing pains of this department should be over at the end of this fiscal year. The problems of conversion from a manual method to a mechanized system should have been eliminated and refinements in the system be accomplished as soon as possible.

The Division of Drivers' Licenses is planning an expansion of its drivers' licenses improvement program. The cost of this increase in services amounts to \$18,360. Eight new positions are requested for this program. This function appears worthwhile and will probably decrease accidents by removing unsafe drivers from the highways. However, we believe that legislation should be enacted to increase fines for habitual violators and the cost of this service be borne by the guilty offenders. The added costs collected by the courts should go to the Motor Vehicle Fund.

Seven additional positions at a cost of \$15,960 are requested in order to have the information service to law enforcement agencies (status of drivers' licenses) on a 24-hour basis for six days a week. We recommend

that no permanent positions be allowed for this extension of service until the extent to which this service will be used is tested. Temporary help should be provided to do this testing.

The largest over-all increase occurs in the Division of Field Office Operations in the amount of \$251,325. Apart from the \$85,160 to be expended for the operation of new offices, 63 additional new positions are requested at a cost of \$155,030 for salaries and wages alone. The balance of the increase is for operating expenses and additional equipment for these new positions, plus normal salary adjustments. The anticipated increase in work load appears to justify these new positions. However, we believe that future requests for additional employees because of work load increases should be critically reviewed.

### *Recommendations to Produce Savings*

We believe that further efficiencies can be accomplished. However, we wish to point out that procedural changes in an organization with the volume of work and the legal complexities that exist in the Department of Motor Vehicles must be accomplished over a period of time and at such times when the normal work will not be adversely affected.

Recommendations which we believe would result in savings were made to the Legislative Budget Committee during the 1950 Regular Session. Legislation will be required to effect some of the changes. Those recommendations are as follows:

#### *1. Permanent license.*

New license plates issued every five years will be a very costly operation for the State.

We recommend that a study be made to determine the feasibility of discontinuing the issuance of a new plate every five years, and that the new plate to be issued in 1951 be a permanent one to be replaced only on request of the owner or by law enforcement officers when plates have been damaged, lost or stolen. To accomplish this change appropriate legislation will be required in 1951.

#### *2. Separation of legal owner from owner on registration cards.*

The present law requires that both legal owner and owner be shown on the registration card.

We believe that a considerable saving in money would result to the State, and better service could be rendered to the motoring public if the function of registering motor vehicles and issuing titles of ownership could be completely separated.

If this were done, the Department of Motor Vehicles could begin preparation of registration cards at a much earlier date. We believe this would reduce considerably the cost of machine rentals. It is estimated that of the total cars registered in the State, 25 percent are legally owned by a second party and involve transfers of titles. Each time a transfer of legal ownership is involved, a new certificate of legal ownership must be made and a new registration card prepared. If the separation is put into effect, the issuance of a new registration card will not be necessary. This means not only a saving in paper costs, but a major saving in time for the employees handling these transactions. Also, more timely information to law enforcement agencies would result, due to the fact that the registration process would be accelerated considerably.

*3. Staggered Renewal method.*

Under the present system of vehicle registrations, application must be made for the registration of all motor vehicles during the period January 1 through midnight of February 4. It is estimated that the total motor vehicle registration will reach a total of 4,485,000 for the year 1949 and an estimated 4,728,000 for 1950. This is an extremely heavy volume of work to receive in such a short period of time each year. We believe that the cost of processing these registrations would be considerably less if the volume was equally distributed throughout the year. Also, much better service could be rendered the public.

We recommend that a thorough study be made and a blue print of a workable procedure be made and presented to the Legislature for its consideration. We wish to point out, however, that the job of converting from the present method to a staggered method would be very large and that sufficient time should be given to study and consider all phases of the operation before any attempt is made to change the present method.

*4. Other improvements.*

Despite steady improvements achieved by the Department of Motor Vehicles this past year, we believe that additional improvement should be made during the 1951-52 Fiscal Year. A thorough study of the accounting procedures should be made. Work now being done manually that can be done more efficiently and economically by mechanical installations should be converted, and the budget be reduced accordingly.

From our study it appears that some of the bureaus could be consolidated, bringing certain functions together and making it possible to complete certain transactions in one bureau, thus reducing to a minimum transfer of documents between bureaus and the corresponding necessary controls. We recommend that such a study be made by the systems personnel of the Department of Finance.

It is our understanding that the Department of Motor Vehicles concurs with most, if not all, of these suggestions.

Apart from these recommendations, we believe that further savings would result by reducing some services to the public. The operation of the Department of Motor Vehicles is very much decentralized. Offices are maintained in many cities and towns on which rentals and maintenance costs are annual when the volume of work is for a short period only. We believe the public could be served satisfactorily by mail in many instances. For reasons of economy, we believe the system of renewing registrations by mail should be encouraged.

**Department of Motor Vehicles  
ADDITIONAL SUPPORT**

ITEM 179 of the Budget Bill

Budget page 595  
Budget line No. 59

**For Additional Support of the Department of Motor Vehicles From the  
Vehicle License Fee Fund**

Amount requested .....	\$1,629,178
Estimated to be expended in 1950-51 Fiscal Year .....	1,545,440
<b>Increase (5.4 percent) .....</b>	<b>\$83,738</b>

**RECOMMENDATIONS**

Amount budgeted .....	\$1,629,178
Legislative Auditor's recommendation .....	1,629,178
Reduction .....	None

**ANALYSIS**

All expenses for administration of the Motor Vehicle License Fee Act are paid from the Motor Vehicle Fund as part of the over-all departmental expenses of the Department of Motor Vehicles, and that fund then is reimbursed from the Motor Vehicle License Fee Fund by appropriation in accordance with Section 11003 of the Revenue and Taxation Code.

Percentage of departmental expenditures chargeable to the collection of vehicle license fees have been determined by a study made by the Department of Motor Vehicles in collaboration with the Department of Finance.

**Department of Motor Vehicles  
DEFICIENCY PAYMENTS**

**ITEM 180 of the Budget Bill**

*For Payment of Deficiencies in Appropriations for the Department of Motor Vehicles From the Motor Vehicle Fund*

Amount requested .....	\$100,000
Estimated to be expended in 1950-51 Fiscal Year .....	250,000
Decrease .....	<u>\$150,000</u>

**RECOMMENDATIONS**

Amount budgeted .....	\$100,000
Legislative Auditor's recommendation .....	100,000
Reduction .....	None

**ANALYSIS**

The Department of Motor Vehicles is prohibited by law from creating deficiencies. The Emergency Fund is available only to General Fund agencies. The Department of Motor Vehicles is supported from special funds and is not eligible to use the Emergency Fund. We believe this large agency should have recourse to an additional appropriation in case of unforeseen emergencies. For the 1950-51 Fiscal Year General Fund agencies comprised approximately 70 percent of the total support budget, yet only \$1,500,000 or 0.8 percent of their total support was funded for their emergency purposes. Using this same percentage the Department of Motor Vehicles would be allowed approximately \$88,000 for emergency purposes. However, due to certain conversion problems and procedure changes, which may occur in the 1951-52 Fiscal Year, we believe that the amount of \$100,000 should amply provide for all emergencies.