

DEPARTMENT OF MOTOR VEHICLES

ITEM 179 of the Budget Bill

Budget page 654
Budget line No. 38

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

Amount requested	\$13,228,661
Estimated to be expended in 1953-54 Fiscal Year	12,473,024
Increase (6.1 percent)	\$755,637

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$982,591	\$982,591	---	663	55
Operating expense	107,177	107,177	---	663	56
Equipment	-7,266	-7,266	---	663	57
Plus:					
Decreased reimburse- ments	-1,358	-1,358	---	663	60
Less:					
Increased payments from Motor Vehicle License Fee Fund	-325,507	-325,507	---	654	13
Total increase	\$755,637	\$755,637	---	654	15

RECOMMENDATIONS

Amount budgeted	\$13,228,661
Legislative Auditor's recommendation	13,228,661
Reduction	None

ANALYSIS

Significant increases occur in the proposed budget of the Department of Motor Vehicles in the following divisions:

Division of Administration

2 New Positions—accounting

\$9,840

The total amount requested for the Division of Administration is \$21,000 less than is estimated to be expended for the current fiscal year. However, we wish to point out that two new clerk positions are requested. These positions appear to be justified as they are based upon increased work load experience by the operating divisions, which in turn affects accounting operations.

Division of Registration

Temporary help

\$105,100

Equipment

27,575

The increase in temporary help is due to the anticipated increase in registrations and related transactions which are estimated to be 4 percent greater than the current year. The equipment which consists of some office furniture, machines and considerably more file cabinets is budgeted to meet the increase in transactions.

A significant saving in excess of \$100,000 for the purchase of 1955 tabs appears in the operating expenses of the Division of Registration for the current fiscal year, 1953-54. This saving comes as a result of a recommendation in the report on the California Highway Patrol by the Senate Finance Subcommittee dated March 4, 1953, which recommended issuing one tab instead of two for annual vehicle registration.

Department of Motor Vehicles—Continued

Division of Drivers Licenses

<i>Temporary help</i>	\$21,900
<i>Driver improvement program—4 positions</i>	15,624
<i>Operating expenses—printing</i>	5,825
<i>Equipment</i>	8,600

The increases in the Division of Drivers Licenses are due to the 1953 amendment of the Vehicle Code requiring regulation of driving schools and driving instructors and compliance with Section 278 of the Vehicle Code requiring verification before issuance of drivers licenses. Also additional printing material, office equipment consisting of files, machines and furniture are requested to provide for increases in work load.

Financial Responsibility

<i>2 positions</i>	\$7,356
<i>Temporary help</i>	2,400

The above positions and temporary help are budgeted to comply with Section 421(d), a 1953 amendment to the Vehicle Code. Section 421(d) provides for suspending the drivers licenses of residents of California whose drivers license has been suspended by another state for failing to comply with the law of that state.

Division of Field Office Operation

<i>84 new positions</i>	\$267,844
<i>Operating expenses</i>	22,520

The increase in the number of registrations and other transactions which are handled by branch offices throughout the State requires additional personnel in existing branch offices, the establishment of three new offices and replacement of highway patrolmen performing motor vehicle functions. According to work load requirements previously established, these additional positions are justified. The increase in operating expenses is related to these new positions.

Land and Buildings

<i>Rent</i>	\$403,296
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The increase in rent is due primarily to completion of the new Motor Vehicle building. This amount of money called "rent" is actually repayment of the loan plus interest from the School Land Fund which was borrowed for construction of the building. A small part of this amount is budgeted for the lease of the three new branch offices proposed to be open in the 1954-55 Fiscal Year.

The balance of the increase in the category of salary and wages for the entire budget is attributed to salary adjustments.

RECOMMENDATIONS

1. *Study of Entire Operations of Department.* We recommend that a thorough study of the entire operations of the Department of Motor Vehicles be undertaken for the Legislature. This will require a study of considerable magnitude. The mechanized system of handling registrations has been in effect approximately five years. During the period of installation of the mechanized system the budget requested by the department has been approved essentially as requested. Each year the budget has increased. The proposed budget calls for an expenditure of

Department of Motor Vehicles—Continued

over \$300,000 in rental of equipment, over \$400,000 in printing expenses and over \$1,270,000 is requested for temporary help in the 1954-55 Budget. It appears that increases in work load consistently are followed by a request for increases in personnel and operating expense. The existing procedures are apparently incapable of absorbing even these increases in registrations, drivers license or financial responsibility cases. We feel that it may be possible to refine and improve the procedures which would make the department more flexible, and permit the absorbing of some of the increased work load which would reduce the cost of operation. Some specific proposals which should be examined by an over-all study of the department's operations and which we recommend are:

2. *Placing Drivers Licenses on Punched Card.* We recommend that a survey be made of the manual method of issuing operators' licenses to determine the feasibility of using the mechanized equipment for renewal purposes.

3. *Preparation of Potential Registration.* We recommend that the procedure used in issuing a potential for commercial registration with a pre-punched tear-off stub card be used to prepare potentials for passenger vehicles. This method should reduce the time required to produce the necessary accounting information.

4. *Secure Bids on Manufacture of License Plates.* We recommend that the manufacture of license plates be put out to bid in order to secure the best price possible for the State. At present, the cost per pair of license plates is \$0.25. Perhaps the State can secure a lower price from private manufacturers. Should this prove to be correct after an examination of this matter, no doubt the efforts of Correctional Industries which is now producing the plates can be diverted to other activities. This recommendation is based upon financial considerations and is suggested as a possible way to reduce the expenses of the Department of Motor Vehicles.

5. *Staggered Renewal Method.* We again recommend that a more comprehensive study be made to determine the possibility of spreading equally the large volume of fee collections and issuance of certificates and tabs over the entire year. With the department budgeting over a million dollars in temporary help for the Fiscal Year 1954-55 and with approximately that amount expended every year, we do not believe this matter has been thoroughly explored. Based upon the experience of large retail stores, public utilities and oil companies we believe that a procedure which provides staggered billing over an entire billing or registration period would unquestionably be more flexible and economical.

RECOMMENDATIONS REQUIRING LEGISLATION

1. *Assess Penalties for Failure to Renew Drivers License.* We recommend that legislation be submitted to the Legislature which would impose a penalty for driving with an expired drivers license. It is impossible to estimate the number of persons who fail to renew their licenses on the due date. However, we believe that revenue being lost is considerable. To our knowledge there is at present no adequate procedure to encourage renewal.

Department of Motor Vehicles—Continued

2. *Increase Charge for Registration Lists.* We recommend that Section 130(c) of the Vehicle Code be amended to permit increasing the charge for registration lists. We believe that concerns which are obtaining these lists and reselling them or selling the use of the list, should pay the State a greater price for such saleable information. One method of collecting a fair charge for the use or sale of the list might be a base charge on a percentage or royalty on every resale made of this information.

**Department of Motor Vehicles
MOTOR VEHICLE LICENSE FEE FUND**

ITEM 180 of the Budget Bill

Budget page 654
Budget line No. 57

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

Amount requested.....	\$2,598,290
Estimated to be expended in 1953-54 Fiscal Year.....	2,272,783
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Increase (14.3 percent).....	\$325,507

RECOMMENDATIONS

Amount budgeted.....	\$2,598,290
Legislative Auditor's recommendation.....	2,598,290
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Reduction	None

ANALYSIS

All expenses for the 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.

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

Approval of this budget is recommended.

**Department of Motor Vehicles
LICENSE PLATES**

ITEM 181 of the Budget Bill

Budget page 654
Budget line No. 51

For Purchase of 1956 Vehicle License Plates From the Motor Vehicle Fund

Amount requested.....	\$1,029,350
Estimated to be expended in 1953-54 Fiscal Year.....	750,000
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Increase (37.2 percent).....	\$279,350

RECOMMENDATIONS

Amount budgeted.....	\$1,029,350
Legislative Auditor's recommendation.....	1,029,350
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Reduction	None

License Plates—Continued

ANALYSIS

This is a partial payment to Correctional Industries for the 1956 license plates. New license plates are issued every five years. This advance payment permits time for purchase of steel and preliminary work.

We recommend approval.

Department of Motor Vehicles

DEFICIENCY PAYMENTS

ITEM 182 of the Budget Bill

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

Amount requested ----- \$100,000

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.

We recommend approval.

DEPARTMENT OF FISH AND GAME

ITEM 183 of the Budget Bill

Budget page 665
Budget line No. 48

For Support of the Department of Fish and Game From the Fish and Game Preservation Fund

Amount requested ----- \$6,843,399

Estimated to be expended in 1953-54 Fiscal Year ----- 6,385,056

Increase (7.2 percent) ----- \$458,343

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$212,557	\$172,705	\$39,852	688	52
Operating expense	233,540	223,540	10,000	688	53
Equipment	16,713	11,868	4,845	688	54
Additional reimbursements	—4,467	—4,467	---	688	69
Total increase	\$458,343	\$403,646	\$54,697	688	71

RECOMMENDATIONS

Amount budgeted ----- \$6,843,399

Legislative Auditor's recommendation ----- 6,802,643

Reduction ----- \$40,756