

State Treasurer—Continued

funds in office buildings in a report dated October 29, 1954. The conclusions which have been reached with respect to the larger problem of investing surplus moneys through the Surplus Money Investment Fund are of some considerable financial significance and are as follows:

1. Increased investments through the Surplus Money Investment Fund would result in decreased cash in the State Treasury, and, accordingly, the two questions are closely interrelated and must be studied together.
2. Based on experience to date investments in the Surplus Money Investment Fund could have been increased many millions of dollars with resulting increase in revenue of up to \$480,000 per year if certain changes in policy and procedures were instituted.
3. Cash on deposit in active bank accounts with the Treasurer probably has at times exceeded actual needs by at least 30 million dollars.
4. Substantial amounts of money are deposited by the Treasurer in bank accounts which earn no interest and are inactive or comparatively so (about 15 million dollars during 1954).
5. Under present market conditions the State could earn additional interest on its idle money if the law were changed to permit investment of such money without regard to funds.

Recommendations

1. The Treasurer's Office should be requested to furnish information as to considerations which govern in determining the amount of money needed in active bank accounts at all times, and why it believes the Surplus Money Investment Fund should not be increased.
2. Outside authorities in the field of private industry and banking should be consulted to determine private industry practices with respect to working bank balances and temporarily idle funds.
3. Study should be given to the desirability of the investment of idle state money without regard to funds, in a manner comparable to that now used by the Treasurer in placing such money in interest bearing bank accounts, and to drafting suitable legislation to permit such a practice if deemed desirable.

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

ITEM 135 of the Budget Bill

Budget page 482
Budget line No. 23

For Support of California Highway Patrol From the Motor Vehicle Fund

Amount requested	\$16,384,631
Estimated to be expended in 1954-55 Fiscal Year	14,650,384
Increase (11.8 percent)	<u>\$1,734,247</u>

Department of California Highway Patrol—Continued
Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$1,320,820	\$564,682	\$756,138	490	9
Operating expense	312,793	91,292	221,501	490	10
Equipment	102,909	—291,152	394,061	490	11
Less:					
Increased reimbursements	—2,275	—2,275	---	490	14
Total increase	\$1,734,247	\$362,547	\$1,371,700	490	28

RECOMMENDATIONS

Amount budgeted	\$16,384,631
Legislative Auditor's Recommendation	15,012,931
Reduction	\$1,371,700

ANALYSIS

Summary of Recommended Reductions

<i>Proposed new positions</i>	Amount	Budget page	Line No.
Administration			
Intermediate account clerk (1)	\$2,772	484	27
Intermediate typist-clerk (1)	2,772	484	29
Inspector of automotive equipment I (1)	5,496	484	39
Field operations			
State traffic sergeant (24)	82,440	486	13
State traffic officer (246)	662,658	486	16
Operating expense	221,501	486	27
Equipment	394,061	486	53
	\$1,371,700		

The expenditures for services provided by the highway patrol are from highway user funds. Similarly, all expenditures for construction and maintenance of the State Highway System are from this special fund source.

The decision to increase expenditures from the California Highway Patrol means a corresponding decrease in funds for other highway related programs. The Legislature has the choice as to whether this money should be spent for patrolling the highways, constructing additional highways, furnishing additional safety devices, intensifying educational programs related to the issuance and review of drivers licenses, and other programs which may affect the ability of the citizens to drive safely on the highways. Those expenditures which are related to the construction of additional highways will, of course, add not only to highway safety but are a fundamental contribution to the economy of the State as transportation arterials. Careful consideration should be given to short run effects of patrol enforcement against long-term improvements in highways and related safety devices or facilities. An investment in highways serves for many years, whereas highway patrol is temporarily effective only.

The services of the California Highway Patrol are not limited to traffic control. It must be recognized that the system of patrol on scheduled beats provides services to motorists in time of difficulty or accidents which are extremely valuable. In this respect, however, the

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already large force of almost 1,750 uniformed men provides a basic organization capable of continuous patrol. The major problem which is encompassed in the budget request for this year is that of additional intensive patrol activity in areas of high accident frequency for the purpose of reducing the accident rate. Unfortunately, the budget is not clear that the patrolmen will be used on a flexible controlled basis which will concentrate this additional effort in those areas of highest accident frequency although the basic justification presented to the Governor for the increase was predicated upon results which have been attained on a pilot basis for the use of special enforcement units or so-called flying squads which have been employed in specific areas of the State. A comparison of the reduction in accidents in these particular areas during a period of intensive patrol activity against the accident rate in the same area during the same month a year apart has clearly demonstrated the temporary value of such patrol. There is no question but that the use of additional patrolmen and additional patrol hours on a selective basis in areas of high accident frequency can be successful in reducing the accident rate.

There are three major questions, therefore, which are involved in the request of the California Highway Patrol.

(1) Whether these positions, if granted, will be used on a basis which will increase patrol hours in those areas determined to be of highest accident frequency on the basis of recorded data.

(2) Will the expenditure of approximately an additional \$2 million on an annual basis be as effective as if an equivalent amount of money were spent in other highway programs

(3) Are all measures being taken to increase the effectiveness of the California Highway Patrol other than increasing the size of the force?

As pointed out earlier, the budget does not furnish a specific program indicating that the additional patrolmen requested will be used in those areas which on the basis of tests will provide enforcement in the most hazardous areas. Unless such a disposition of manpower is scheduled, the results which have been produced to date by the limited use of special enforcement units cannot be expected from the additional manpower requested in the budget. The effectiveness could be very substantially less than that indicated in the test experience. The specific program should be more carefully developed for the Legislature.

In our analysis of the budget for 1954-55, we pointed out that improvement of highways demonstrated a marked reduction in the number of accidents. We believe it would be desirable to reproduce again this year a table which showed the number of "before and after" accidents during a one-year period for completed freeway projects.

Dist.	Co. route and section	Length miles	Number of accidents during 1-year period		Number of reduced accidents
			before	after	
III	Sac-3-B -----	2.25	39 (1946)	13 (1948)	26
IV	SM-68-B -----	2.97	120 (1947)	29 (1949)	91
V	SB-2-E -----	1.83	14 (1950)	6 (1952)	8
VII	LA-26-D -----	2.01 (1950)	72 (1950)	20 (1952)	52
		1.47 (1952)			
X	Mer-4-A -----	6.35	51 (1950)	36 (1952)	15

Department of California Highway Patrol—Continued

The above table shows that accidents were definitely decreased as a result of these projects. Apart from the reduction in accidents brought about by these projects they have also contributed greatly to the economy and welfare of the State by satisfying the traffic needs and will continue to do so for years to come.

The following table shows the construction costs of these projects. Also the cost per year per decreased accident, based on a use of these projects for 30 years.

	1	2	3	4	5	6	7
<i>Location</i>	<i>Length of miles of projects</i>	<i>Cost per mile</i>	<i>Cost project col. 2x3</i>	<i>Cost per year per project based on 30 yr. use, col. 4÷3 yrs.</i>	<i>No. of accidents decreased per project</i>	<i>Cost per decreased accident per yr. col.5÷6</i>	
III Sac-3-B	2.25	\$523,100	\$1,176,975	\$39,232	26	\$1,509	
IV S.M. 68-B-F	2.97	987,100	2,931,687	97,723	91	1,073	
V S B-2-E	1.83	432,600	791,658	2,639	8	330	
VII L.A.-26-D	3.48	1,472,100	5,122,908	170,763	52	3,283	
X Mer-H-A	6.35	166,400	1,056,640	35,221	15	2,348	

By comparison the following table shows the cost per decreased accident per year where the patrol has intensified its enforcement activity by shifting patrolmen from areas of low accident frequency to areas of high accident frequency for a one-month period.

1	2	3	4	5
<i>Area</i>	<i>Total patrol hours</i>	<i>Number of accidents decreased per month</i>	<i>Year cost of patrol time, hours x cost per hr. (\$6.50) @ 12 mos.</i>	<i>Cost per accident decreased 4÷3</i>
Bakersfield -----	8,376	65	\$653,328	\$10,005
San Leandro -----	3,384	38	263,952	6,946
Sacramento -----	8,543	72	666,354	9,255
Stockton -----	4,591	10	353,098	35,809
Redwood City -----	3,001	14	234,078	16,720
San Bernardino ---	4,507	13	351,546	27,042
San Diego -----	5,261	20	410,358	20,518
East Los Angeles--	4,013	94	313,014	3,299

It should be noted from the two tables that the cost per year per decreased accident where extra patrolmen have been used to obtain a reduction in accidents is many times greater than where highway improvements served to achieve the same results.

It should be made clear that these prospective results will accrue only insofar as both the highway patrol funds and highway construction funds are expended in a manner which is as effective as in the illustrations used. It is entirely possible that the patrol may be done in areas of low accident frequency and similarly that highway construction may take place in areas which although providing needed transportation facilities will not achieve the result of preventing accidents. This would seem to indicate that if this use of a portion of the highway user funds is to be regarded as a method of eliminating traffic acci-

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dents and this is to be the primary objective of the particular expenditure, a list of highest accident frequency locations should be furnished to the Legislature by the California Highway Patrol and the State Division of Highways, with specific proposals for the correction of these deficiency areas. If assurances were given by the State Highway Commission that expenditures would be made for the primary purpose of accident prevention in line with the specific accident prevention program supplied by the Division of Highways, it would seem to us that a logical decision could be made by the Legislature as to the expenditure program which should be adopted.

It must be recognized that the accident prevention work which would be performed by the augmented highway patrol force might affect entirely different areas than those encompassed in the highway program. It is likewise true that the solution to the accident prevention problem in many of the areas showing greatest need for attention on the part of the highway patrol can be remedied only by highway patrol work and not by correction of highway deficiencies or related highway safety facilities. The converse is also true. This means that the problem of accident prevention is viewed in terms of reducing the greatest number of accidents per dollar of expenditure irrespective of where the accident occurs, so long as it is within the area of primary state responsibility.

We do not believe that all steps have been taken to increase efficiency of present manpower, despite commendable steps in this direction by the present administration of the patrol.

At present the California Highway Patrol has the largest traffic patrol force of any State, a force that consists of 1,747 uniformed positions authorized by the Legislature at an annual cost for salaries and wages of \$8,682,932. With retirement this amounts to \$11,184,875.

The Legislature has approved expenditures to improve the efficiency of the present manpower by:

- (a) Providing class A cars for patrol duties.
- (b) Providing \$50,000 travel expense for a special flying squad to be used at trouble locations.
- (c) Providing many additional clerical positions to relieve uniformed men from nonpatrol duties so that they could contribute to the needed man-hours of patrol duty.
- (d) Appropriating an amount sufficient to contract with a private firm to provide the best communications system possible for the California Highway Patrol.

The Commissioner of the California Highway Patrol is publicly committed to a program of ultimately expanding the patrol to a force of 2,538 traffic officers plus the necessary staff and supervisory uniformed officers. The request for 270 additional men will bring the force up to a total of approximately 2,000 uniformed men. Expansion of the present force to a size of 2,500 traffic officers will add an additional \$10,000,000 on a recurring basis to the present budget.

Assuming the most effective and flexible organization of this force, with continued improvements in the equipment made available to it, it is difficult to justify the increases requested.

Department of California Highway Patrol—Continued

In addition to the effectiveness demonstrated by highway improvements, we believe that more rigid requirements for driver's license and electronic speed control equipment can substantially affect death and accident rates, based on experience in other states.

We, therefore, recommend deletion of 24 proposed traffic sergeants and 246 traffic officers budgeted to cost \$82,440 and \$662,658 respectively and related positions, operating expense and equipment.

We believe consideration should be given to use by the State of present manpower, such as the National Guard, for holidays. This would increase the manpower with little additional cost during critical periods. The State of Michigan augmented their force of 378 troopers by 682 National Guardsmen during the Labor Day week end of 1954. This experiment was considered a success by government officials and the general public.

The recommendation to delete the additional proposed position of inspector of automotive equipment is based on the following:

1. We believe that the inspection of automotive equipment for needed maintenance and repairs is the function of the Automotive Management Section of the Department of Finance.
2. The Automotive Management Section is presently staffed with 12 competent inspectors located in various parts of the State to perform this function.
3. These inspectors have been performing this function and have provided us with proof that they have effected considerable economies which did not result when the patrol was performing its own inspection.

We recommend that the budget be augmented by an amount sufficient to contract this service from the Department of Finance.

DEPARTMENT OF INDUSTRIAL RELATIONS

ITEM 136 of the Budget Bill

Budget page 491
Budget line No. 36

For Support of the Department of Industrial Relations From the General Fund

Amount requested	\$5,541,295
Estimated to be expended in 1954-55 Fiscal Year	5,419,084
Increase (2.3 percent)	\$122,211

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$62,735	\$26,687	\$36,048	500	9
Operating expense	75,007	75,007	---	500	10
Equipment	—39,130	—39,130	---	500	11
Plus:					
Decrease in federal re- imbursements to Di- vision of Apprentice- ship Standards	23,599	---	23,599	500	16
Total increase	\$122,211	\$62,564	\$59,647	500	21