

California Cadet Corps—Continued

annual encampment. The cost of the program depends largely upon the number of schools participating.

In the 1954-55 Fiscal Year, the budget appropriation was based upon 117 schools with 7,000 cadets participating in this program. For the 1955-56 Fiscal Year 130 schools with 8,900 cadets are expected to receive this training.

The increase of \$41,899 is due to salary adjustments and other increases due to the expansion of this program. The level of service, however, remains the same.

Items showing significant increases due to this expansion are as follows:

Proposed new position of corporal-----	\$3,860
Ammunition and supplies -----	5,725
Cadet encampment -----	3,000
Instruction and leadership schools-----	2,200
Uniforms -----	6,720
Training additional -----	9,500
Salary adjustments -----	6,600

We recommend approval of the amount of \$243,943. However, we wish to point out that if there is a change of federal policy with regard to our national defense program which would include military training for the majority of young men, then we believe that this cadet corp program should be discontinued or seriously curtailed. For the present, however, we propose that the program be limited by setting a maximum to the number of schools that can participate. We suggest that the maximum be set at the program level for the 1955-56 Fiscal Year, namely, 130 schools.

DEPARTMENT OF MOTOR VEHICLES

ITEM 167 of the Budget Bill

Budget page 652
Budget line No. 37

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

Amount requested-----	\$13,818,500
Estimated to be expended in 1954-55 Fiscal Year-----	12,680,272
Increase (9.0 percent)-----	\$1,138,228

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$487,519	\$487,519	---	661	56
Operating expense -----	501,931	501,931	---	661	57
Equipment -----	156,438	156,438	---	661	58
Less:					
Increased					
reimbursements ---	-5,950	-5,950	---	661	62
Less:					
Increased payments from					
Motor Vehicle					
License Fee Fund--	-1,710	-1,710	---	652	54
Total increase -----	\$1,138,228	\$1,138,228	---	---	---

Department of Motor Vehicles—Continued

RECOMMENDATIONS

Amount budgeted	\$13,818,500
Legislative Auditor's recommendation	13,782,020
Reduction	<u>\$36,480</u>

ANALYSIS

Summary of Recommended Reductions

<i>Equipment</i>	<i>Amount</i>
Automobile—replacement	\$23,520
Automobile—additional	12,960
	<u>\$36,480</u>

The budget request for equipment includes an item of \$36,480 for additional and replacement of automobiles. We recommend deletion of this amount with an appropriate adjustment of the agency budget by the Department of Finance to permit the payment of mileage for rental of cars from the state pool. We also recommend augmentation of the Purchasing Revolving Fund in an amount sufficient to permit the furnishing of adequate automotive service to the agency from the state pool either on a day-to-day basis or monthly assignment basis.

We are recommending similar adjustments in the budgets of other agencies where additional or replacement passenger vehicles are involved. This is part of an over-all recommendation looking toward the eventual centralized ownership of all state cars in order to achieve the maximum benefits to be derived from broad fleet ownership and control, central maintenance, and extension of pool operations to the extent feasible and economical, as explained in detail in a special section in the introduction to this report.

Significant increases occurring in the proposed budget of the Department of Motor Vehicles are as follows:

	<i>Increase</i>	<i>Decrease</i>
Division of Administration		
Salary adjustments	\$16,190	---
Proposed new positions	11,436	---
Printing Motor Vehicle Code and Summaries	68,100	---
Automobile—additional	---	\$10,560

The proposed new positions consists of one administrative service officer and one intermediate stenographer-clerk to provide clerical assistance.

Considerable time of the director and deputy has been spent in supervision of the service functions, such as the accounting, personnel, service and supply and the procedures and analyses units in the Division of Administration. This condition has prevented the director and deputy from spending sufficient time to properly supervise the three major operating Divisions of Registration, Field Office Operations and Drivers License. We believe this new proposed position will remedy this situation and therefore recommend approval.

Department of Motor Vehicles—Continued

Division of Registration		<i>Increase</i>	<i>Decrease</i>
Proposed new positions			
General administration			
1 Motor vehicle representative.....		\$4,980	---
Investigation			
1 Intermediate typist-clerk		3,112	---
2 Intermediate stenographer-clerk		6,224	---
Temporary help		59,896	---
Key punch operators			\$27,861
Postage		94,800	---
License plates and tabs.....		196,139	---

The proposed new position of motor vehicle representative is requested to relieve the chief and his assistant of many detailed functions to permit them to devote full time to policies and the broader aspects of the many problems of the Registration Division. We believe this assistance is necessary and therefore approval is recommended.

The three clerical positions requested for the investigation function are justified on a work load basis. We recommend approval of these positions.

The increase in temporary help is due to an anticipated increase in registration transactions. A procedural change in processing registration renewals is responsible for the decrease shown in key punch operators.

Mailing of new license plates for the year 1956 accounts for the increase in postage.

The increase shown for license plates and tabs is due to provision being made in the 1955-56 Fiscal Year for purchase of tabs for the year 1957 and replacement license plates. In the current fiscal year it was only necessary to purchase tabs.

Division of Field Office Operations

This division shows an increase of \$523,282. Significant changes which account for the major portion of this increase are as follows:

Eleven new branch offices are to be established at Fairfield, Gilroy, Lodi, Pleasant Hills, Baldwin Park, Bell, Delano, Escondido, Fairfax-Wilshire, San Pedro and Santa Monica-Westwood. A total of 21.5 positions at a cost of \$129,517 per year have been requested to operate these offices. An additional amount of \$48,000 per year for rent and maintenance for these new offices is shown under Land & Buildings. An additional 18 clerical and 3.5 janitorial positions at a yearly cost of \$68,688 for salaries and wages have been requested due to anticipated work load increases for existing branch offices. Three additional positions at a yearly cost of \$13,036 for salaries and wages are requested to supervise bank renewal functions and work on special assignments of the chief of field office operations.

In our opinion these increased expenditures are justified on a work load basis, and approval is recommended.

An amount of \$116,200 is requested to purchase 1,660 numbering machines. A new license plate numbering system using fewer digits will become effective when the 1956 license plates are issued. Due to the use of more than one alphabetical character in this system the old numbering machines are inadequate.

Department of Motor Vehicles—Continued

The department is also requesting \$48,750 for improved vision testing equipment for examining applicants for drivers licenses. This equipment will be used in the branch offices. We believe that this expenditure is a good investment since it will assist in detecting applicants with faulty vision and thereby improve driving safety.

Legislative Auditor's Motor Vehicle Study

Members of the Legislative Auditor's office conducted a comprehensive study of the operations and procedures of the Department of Motor Vehicles. Partial reports of this study were submitted to the Legislative Budget Committee on September 10 and December 3, 1954. As a result of this study we concluded that substantial savings could be obtained if certain procedures were changed. The Department of Motor Vehicles has agreed generally, with some modifications, on the proposed recommendations regarding the processing of registration applications received by local offices. However, only a portion of these changes could be effected this year due to the fact that processing of renewals for 1955 was in progress. We were in complete agreement with the department that it would be unwise to attempt any major changes in procedures until the present renewal operations had been completed. Time did not permit a study to determine the man hours in savings that might result from these recommendations. The department has agreed that when these recommendations are put into effect that any savings will be reflected by a reduction of their expenditures. We recommend that the Department of Finance assist the department in determining these savings.

In the following "Summary of Recommendations" we have included some recommendations which were in our report and some which were modified after discussions with the Department of Finance and the Department of Motor Vehicles. We are also repeating some prior recommendations which have appeared in our analysis and some new recommendations.

Summary of Recommendations

1. A thorough inspection of all applications be made by an inspection clerk immediately following the rating of the applications by the rate clerks in the local office. The inspection now being made in other offices should be made only on a limited sample basis.

This method should provide better service to the public by insuring the maximum correctness in charges to the applicant and complete documentation for registration while the applicant is still present. Thus timely and costly correspondence, of the applicant and the department would be held to a minimum.

It is our understanding that this recommendation is in the process of being installed.

2. That all typing of documents which are later duplicated in the mechanical process be discontinued with the exception of extreme hardship cases which are of an emergency nature.

It is our understanding that this recommendation has been put into effect.

3. Suspense receipts should be issued only to identify miscellaneous items for control purposes but not when the application is incomplete.

Department of Motor Vehicles—Continued

The department has agreed in principal with this recommendation but has expressed a desire to issue such receipts to applicants who would be subject to penalties through no fault of their own. We do not disagree with this concept if issuance of receipts under these circumstances is under strict surveillance.

4. Cashiering forms should be simplified. The department has made changes which we consider meritorious and further refinements are to be considered at a later date.

5. The serial numbering of tabs to be discontinued and the tab be issued bearing only the year number for which issued.

Only license plates (not tabs) will be issued in 1956. It is our understanding that the department will put into effect in 1957 some of the related procedural changes that result from this recommendation.

6. A duplicate account card should be reproduced to establish a reference file of current year registrations. Beginning this current renewal period the department has put into effect the use of a punched card for renewal purposes. This method will provide, in part what our recommendation intended, a punched card file for the major portion of all vehicles registered.

7. Certain accounting reports which are being prepared manually should be done mechanically.

It is our understanding that this recommendation was to become effective January 1, 1955.

The report "Procedures for Licensing of Operators" has been presented to the Department of Motor Vehicles for review. Time did not permit our staff to review and discuss the objectives and procedures outlined in this report with the department. In the coming fiscal year such discussions will be held and a report on the results will be made at a later date.

A summary of the recommendations contained in this report are as follows:

Summary of Recommendations

1. Renewal applications for operator's licenses should be prepared mechanically by the tabulating section in the form of a potential driver's license and mailed to the licensee prior to the expiration date of the existing license.
2. Address changes, suspensions, revocations, et cetera, should be processed mechanically prior to preparation of the potential license.
3. Statistical reports should be prepared by mechanical means rather than built up daily through manual postings.
4. At a later date when operator's license processing is functioning smoothly, a similar procedure should be established for processing renewal chauffeur's licenses.
5. Consideration should be given to establishing a differential in fees for an original driver's license and the renewal of a license, with a higher fee for the original license.

We believe that a license which has expired without being renewed should be considered an application for an original driver's

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license with respect to fees. Such a policy would provide an incentive to renew a license on or before the expiration date.

Previous Recommendation

The following recommendations have been made in past analyses. Because no positive action has been taken on these recommendations and because we believe that economies and better service to the public would result if these recommendations were adapted, we repeat them again.

1. Permanent License

New license plates issued every five years is 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 new plates be issued 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.

2. Separation of Legal Owner From Registered Owner on Registration Cards

The present law requires that both legal owner and registered 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 4th. The total motor vehicle registrations for the year 1953 was 6,000,000. 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 consideration

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of all phases of the operation before any attempt is made to change the present method.

We recommend that permissive legislation for a staggered method be enacted at this session of the Legislature.

Other Recommendations

1. We recommend that the area office functions now being performed in Los Angeles and Oakland be centralized in the Sacramento Headquarters office. We believe this change would result in economies and a more efficient operation.

2. We recommend the present system of charging for registration material from the files of the Department of Motor Vehicles be completely reviewed and that:

- a. The department define its policy with respect to charges to all individuals and business houses for registration information.
- b. Section 130 of the Vehicle Code be clarified and if necessary amended to make certain charges mandatory.
- c. The Department of Finance conduct a study for budgetary purposes to determine the appropriate amount of such reimbursements.

It is reported that the department's files hold nearly 100,000,000 items. These files consist of lists of owners of nearly 7,000,000 vehicles indexed by engine number, license number and by name. Licensed drivers are filed by name and license number. In addition, the traffic violations of each driver are kept on file. The department answers several hundred thousand requests for information contained in the files each year. Requests come from individuals, governmental agencies, business firms, insurance companies and banks. Some charges are made for this information as provided for in the Vehicle Code. The department estimates it will receive reimbursements of approximately \$17,000 in the 1955-56 Fiscal Year. This amount does not include the amount of \$17,550 for sale of registration lists. These reimbursements are only a fraction of what would appear to be collectable. Our information indicates that considerable service is rendered to non-governmental agencies for which the state receives inadequate or no reimbursements. We believe that considerable loss of revenue to the Motor Vehicle Fund results by failure to charge for all the information furnished to all private groups. For example, in the Los Angeles office for the first 11 months of 1954 a total of 625,379 (an average of 56,852 per month, or projected for the full year, a total of 682,231) searches were requested. At a minimum charge of 30 cents per request, as designated in the Vehicle Code, this service would have produced \$204,669.30 for the year 1954. Although a portion of the requests are for governmental agencies and are not subject to charge a substantial recovery would have been made by charges for nonpublic use.

3. We recommend discontinuance of collection of motor vehicle license fees by automobile dealers. In the course of our study of the registration procedures of the department, we noticed that many cases arise requiring complicated and expensive adjustment as a result of dealers handling vehicle registrations. Also, public misunderstanding

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and antagonism toward the department's policies result from such cases. For example, if a dealer delays in reporting a registration, the car owner naturally goes to the department to demand his registration. Or if a dealer reports a registration incorrectly or remits to the department incorrect fees, the department holds the registered owner responsible. We believe that since the registered owner is held responsible for the proper registration of his vehicle, there should be direct contact between the registered owner and the Department of Motor Vehicles.

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

ITEM 168 of the Budget Bill

Budget page 652
Budget line No. 54

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

Amount requested	\$2,600,000
Estimated to be expended in 1954-55 Fiscal Year	2,598,290
Increase	\$1,710

RECOMMENDATIONS

Amount budgeted	\$2,600,000
Legislative Auditor's recommendation	2,600,000
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
DEFICIENCY PAYMENTS**

ITEM 169 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
Estimated to be expended in 1954-55 Fiscal Year	100,000
Increase	None

RECOMMENDATIONS

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

Deficiency Payments—Continued

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 170 of the Budget Bill

Budget page 663
Budget line No. 50

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

Amount requested	\$6,843,097
Estimated to be expended in 1954-55 Fiscal Year	6,627,866
Increase (3.2 percent)	\$215,231

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$117,196	\$108,148	\$9,048	687	29
Operating expense	200,849	200,849	---	687	30
Equipment	33,538	33,538	---	687	31
	<u>\$351,583</u>	<u>\$342,535</u>	<u>\$9,048</u>		
Less:					
Increased					
reimbursements ---	<u>136,352</u>	<u>136,352</u>	---	687	34
Total increase	<u>\$215,231</u>	<u>\$206,183</u>	<u>\$9,048</u>	687	52

RECOMMENDATIONS

Amount budgeted	\$6,843,097
Legislative Auditor's recommendation	6,726,582
Reduction	\$116,515

ANALYSIS

The State Department of Fish and Game, which was established by Chapter 715 of the Statutes of 1951, having previously been a division in the State Department of Natural Resources, is responsible for the protection, conservation and propagation of desirable species of animal, bird and fish wildlife, and for the control or eradication of undesirable species, in accordance with operational and regulatory policies established by the Fish and Game Commission, and expressed in various statutes; and through the enforcement of the general fish and game laws of the State, the establishment and operation of fish hatcheries, fish screens and ladders, stream flow dams, game farms shooting grounds, habitat improvements, educational programs and et cetera. The department also conducts extensive research programs for the purpose of increasing its knowledge of its various problems, developing more efficient and economical methods of producing and propagating wildlife, and for increased and more efficient control of wildlife diseases.