

California Cadet Corps—Continued

9,601 cadets will be in the program during the 1956-57 Fiscal Year. The 1955-56 Budget was estimated to have 130 schools enrolled in the program. The present number is 136 or 6 over the budgeted number. This projected increase will require one more supervisor of military cadet instruction and a clerical position to handle the work load. The established ratio is one supervisor per 20 schools.

The rate of increase in enrollment in high schools together with new high schools being constructed, indicate continued long-range growth of this program. At the present time there are 225 high schools in the State that do not offer a course in military education and which are eligible to participate in the state program. Many new schools will be constructed during the next five years; 35 new schools are being constructed in districts where cadet corps units are established.

We recommend the amount as budgeted.

DEPARTMENT OF MOTOR VEHICLES

ITEM 171 of the Budget Bill

Budget page 661
Budget line No. 41

FOR SUPPORT OF DEPARTMENT OF MOTOR VEHICLES FROM THE
MOTOR VEHICLE FUND

Amount requested	\$15,482,962
Estimated to be expended in 1955-56 Fiscal Year.....	14,241,602
Increase (8.7 percent).....	\$1,241,360

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages.....	\$1,007,857	\$822,023	\$185,834	672 66
Operating expense	269,888	259,888	10,000	672 67
Equipment	83,185	53,185	30,000	672 68
Less: increased reimbursements...	—1,078	—1,078	—	672 78
Less: increased payments from Motor Vehicle License Fee Fund	—115,492	—115,492	—	672 82
Less: increased payment from General Fund	—3,000	—3,000	—	672 83
Total increase	\$1,241,360	\$1,015,526	\$225,834	672 81

RECOMMENDATIONS

Amount budgeted	\$15,482,962
Legislative Auditor's recommendation.....	15,454,030
Reduction	28,932

The Department of Motor Vehicles is primarily a licensing agency. It is responsible for registering and licensing motor vehicles, testing and licensing operators of motor vehicles and licensing driving schools. The department also administers the provisions of the Financial Responsibility Law. One function corollary to registering motor vehicles is collection of the "in lieu" tax on motor vehicles; this tax is apportioned to the cities and counties for highway purposes.

The Motor Vehicle Fund finances the major portion of the department's activities. The Motor Vehicle License Fee Fund finances that

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portion of the activities connected with the collection of the “in lieu” tax. The General Fund finances the minor activity of providing information service to the Aid to Needy Children Program.

ANALYSIS

Population growth in California continues to require the expansion of the activities of the Department of Motor Vehicles. The increased number of vehicles to be registered, drivers to be licensed and accidents and driving citations all add to the work load of the department and directly affect the budget proposals. The comparative work load shown in the budget document indicates the percentage increases for the last three years.

Activity	Percentage change from prior year		
	Actual 1954-55	Estimated 1955-56	Estimated 1956-57
Registrations -----	6.2	8.0	3.5
Drivers licenses -----	11.0	3.2	2.4
Financial responsibility -----	--	3.7	10.4

While there is some fluctuation in the increase in work load from year to year the general trend is up. For example, there was a sharp and unexpected increase in new car registrations and renewals during the 1955 calendar year. The impact of this increase in terms of fiscal year work load shows up particularly in the increase from 1954-55 to 1955-56.

Since increases in work load can be expected to continue indefinitely, it appears that under existing law and procedures the Legislature can expect consistent increases in personnel. In most aspects, the only way added work load can be handled is to add more employees. While this may never change completely, we believe that the State should expect the utmost effort be made to cope with increased work load without continually adding more personnel. It is not too unrealistic to say that in a short time, at present rates of increase, the department will have outgrown its new Sacramento headquarters buildings.

Existing laws outlining legislative policy on motor vehicle administration, in some cases, load the department with complex procedures which are expensive to administer. On the other hand, some procedures can be changed administratively. In both cases, present law and procedures should be carefully reviewed so that changes can be effected to simplify them and reduce the cost.

Automation in office operations is one avenue through which large clerical operations can be kept under control. The department has gone a long way in this respect. The budget, in fact, reflects a decrease of 16 permanent positions and 6.9 temporary help positions in mechanical processing due to improved methods of processing. In 1954, the Legislative Auditor presented to the Joint Budget Committee a survey made by this agency. It was recommended in that study of the drivers license operation that issuance of drivers license could feasibly be done on punch card equipment. Such a machine procedure, it was felt, would have the capacity of absorbing greater work load at less cost. This study was considered by the legislative committees with the request that it be reviewed by the Department of Finance and the Department

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of Motor Vehicles. To our knowledge, their appraisals have not been presented to the Legislature.

We strongly suggest that the department begin a concentrated program of evaluating all its major procedures. There is a procedures and analyses unit in the Division of Administration which should devote its full efforts to considering major changes in procedure.

Summary of Recommended Reductions of New Service

Division of Registration	
Business service officer I	\$5,496
Administrative advisor	8,940
Intermediate stenographer-clerk	3,138
Division of Field Office Operations	
Assistant division chief	7,728
Senior stenographer-clerk	3,630
Total	\$28,932

Five new positions are recommended for disapproval because they represent an increase in the level of service. The position of business service officer I was established during the current year and is currently filled. The administrative advisor and the assistant division chief of the Division of Field Office Operations plus clerical assistance are proposed positions for the coming fiscal year.

Division of Administration

The business service officer position was created to handle the leases of all field offices. This is an increase in service in that the leasing work was formerly handled by the operating personnel under the supervision of the chief of the Division of Field Operations. Now, instead of leasing activities being a part of the responsibilities of area and district supervisors and the division chief, the new business service officer handles most of this work. Admittedly, the work load in this area is increasing. The number of leases managed by the department is increasing each year by the number of new branch offices authorized by the Legislature; new branch offices are authorized each year. Thus, the work load of acquiring new property is fairly constant but the administrative work of maintaining existing leases is increasing. On this basis we believe that the addition of a specialized new position for this work is a refinement in service.

There is a second reason why this position should not have been authorized without a thorough discussion of the state leasing program before the Legislature. The Department of Finance leasing section has undergone a reorganization in which the leasing and property acquisition functions have been combined. As we understand the policy of the Department of Finance, procedural and record keeping improvements in the central property agency must precede consideration of any expansion of the Department of Finance's sphere of activity and authority. While this may be desirable, in the meantime no blueprint of the ultimate scope of the central agency and the degree of development of property acquisition activities in the agencies is available for guidance. In this void, therefore, a new position is authorized in the Department of Motor Vehicles to handle a situation which should have been foreseen. At the same time, the Department of Finance proposes to in-

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crease the staff of the Property Acquisition Division by two new positions. The policy needs to be clarified in view of this example in the Department of Motor Vehicles of the possible expansion of the leasing service in state agencies. *We recommend that this position be eliminated from the budget.*

Division of Field Office Operations

The proposed position of assistant division chief represents an increase level of service because the division chief now has a broad field supervisory staff. There are two area supervisor positions in the organization and the State is divided into 10 districts over which there is a supervisor responsible for the branch offices.

In line with the policy of this office to recommend deferral of all new service to consideration in the General Session, *we recommend disapproval of the five positions discussed above.*

Work Load Increases

In the following portion of this analysis we have separated the increases contained in the 1956-57 budget program of the department. First, we have summarized, by number of positions created in the current year, the effect of work load increases occurring since the Legislature last received this budget. It will be noted that some new positions were created and other temporary positions converted to permanent positions. Temporary positions are financed from temporary help funds of which the department has approximately a million dollars annually. Conversion to permanent positions may be effected only with the approval of the Department of Finance.

Positions Authorized During the Current Year Due to Work Load Increases

	<i>Number of positions</i>
Division of Registration	
New positions -----	23
Established in lieu of temporary help -----	40
Division of Drivers Licenses	
Established in lieu of temporary help -----	15
Division of Field Office Operations	
New positions -----	51
Total -----	129

Many new positions are requested in the proposed budget to keep up with existing work load. These new positions are outlined below by function. The largest number of positions are requested for the Division of Field Office Operations. This division has charge of all the branch motor vehicle offices throughout the State that serve the motoring public. In this area of branch office work, the impact of increased registrations and new drivers is felt first. Existing offices are expanding to meet population growth. As new communities come into being and smaller towns grow, new offices are proposed by the department. The establishment of new offices is regulated by a formula which we believe is satisfactory, fair and workable.

The formula which guides the staffing and expansion of existing branch offices has been revised this year by the department. We have reviewed it and find its new principle of grouping work load statistics

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by district, as the basis for personnel estimation, has some merit. In the coming year we will study the full implications of the revised formula in order to make a determination as to its long-range soundness.

New Positions Requested Due to Work Load Increases in the
1956-57 Fiscal Year

	<i>Number of positions</i>	<i>Amount</i>
Accounting function		
Division of Administration		
Accounting and clerical positions-----	5	\$15,732
Increase in registrations and related transactions		
Division of Registration		
Clerical positions-----	31	88,092
Increases in drivers licensing		
Division of Drivers Licenses		
Clerical positions-----	11	30,569
Provide information to private file searchers		
Division of Drivers Licenses		
Clerical positions-----	6	16,674
Driver Improvement Program work load increases		
Division of Drivers Licenses		
Analyst positions-----	10	48,864
Clerical positions-----	9	26,028
Branch offices		
Division of Field Office Operations		
Increased work load positions-----	79.7	296,000
Seven new branch office positions-----	19.1	71,000
Expansion of the coding and inspection procedure		
Division of Field Office Operations		
Clerical positions-----	8	29,750
Total-----	178.8	\$622,709

Positions Requested for New Service Due to New Laws

Following is a summary of the new laws passed at the 1955 General Session of the Legislature and the department's proposed new positions to implement them. While these positions reflect new programs or the extension of existing ones, these positions are recommended for approval to carry out the mandate of the Legislature.

New Service Due to New Laws

	<i>Number of Positions</i>	<i>Amount</i>
Chapter 1002, Statutes of 1955		
Division of Administration		
Secretary-----	1	\$5,988
Chapter 1653, Statutes of 1955		
Division of Registration		
Motor vehicle investigator-----	3	10,500
Chapter 1963, Statutes of 1955		
Division of Registration		
Supervising motor vehicle investigator-----	1	5,772
Motor vehicle investigator-----	19	66,578
Chapter 1347, Statutes of 1955		
Division of Drivers Licenses		
Clerical positions-----	12	35,056
Financial Responsibility		
Damage and injury evaluators-----	2	8,808
Clerical positions-----	8	24,204
Total-----	46	\$156,902

Department of Motor Vehicles—Continued
The Reciprocity Commission

A Reciprocity Commission was created by Chapter 1002 Statutes of 1955. The commission is composed of the Lieutenant Governor, the Director of Motor Vehicles, the Director of Public Works, the State Controller, and the Commissioner of the California Highway Patrol. The commission is authorized to examine the legal requirements of motor vehicle registration, license and weight fee statutes and is empowered to enter into reciprocity agreements. All transactions under this chapter must be reported to the Legislature annually. A new position of secretary was established during the current year upon the approval of the Department of Finance.

House Trailer Registration

Chapter 1653, Statutes of 1955, requires annual registration of every trailer-coach in the State. Prior to this law, trailer coaches which did not move on the highways were not required to register. The department requests three new positions of investigator to effect enforcement of this provision. It is believed that intensive enforcement in the first year will cover the vast majority of unregistered trailers. Following this period of searching out nonregistered trailers, the activity will become a regular part of the investigation unit's work. The estimate of three men to perform this work is predicated on the deployment of these men in the north, central and southern parts of the State.

Financial Responsibility

Two new laws passed in the 1955 General Session of the Legislature have a significant impact on the administration of the financial responsibility laws. One of these laws, Chapter 1963, Statutes of 1955, requires the suspension of the registration card and license plates of any vehicle involved in an accident unless the owner establishes exemption from damages by securing insurance or posting a bond or cash. This is a mandatory requirement in the same way that existing law requires suspension of the driver's license under the above conditions. A person may now lose both his driving privilege and the right to have his automobile in operation at all, even though driven by another person. The other new law, Chapter 1347, Statutes of 1955, pertains to the driver and provides that to gain reinstatement of the driving privilege a person must be able to show proof of ability to respond in damages as prescribed by Section 414 of the Vehicle Code. In other words, the driver must obtain insurance or post bond or cash and maintain such for three years in order to regain his driving privilege.

The effect of these new provisions to the Motor Vehicle Code on the Department of Motor Vehicles is to increase clerical and enforcement activities. The department proposal to add 42 new positions due to the added work load centers principally on the additional time of investigators in picking up license plates and registration certificates and the increased clerical time in assuring that a driver under suspension maintains his insurance, bond or cash deposit, against possible damages actions.

The estimated increases in work load used to justify these new positions appears, in some instances, to be high. For example, the depart-

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ment estimates that the additional duty of picking up license plates and registration cards will increase the time of investigators 200 percent. Based upon experience in picking up suspended drivers licenses, the department feels that more time will be consumed in each initial contact plus a higher rate of call-back to secure all documents and the plates. There is some plausibility to these arguments. Since we have no information to dispute the department's justification, we recommend the position. However, the budget provides that 11 positions be allowed July 1, 1956 and nine more, effective January 1, 1957, only after further review of work load experience. We mention this qualification to the positions proposed because of our uncertainty as to the effects of Chapter 1963 and suggest that a formal report be rendered on the administration of that chapter before the nine positions are established.

The positions to implement Chapter 1347, affecting the driving privilege will require clerical positions primarily. The positions are requested for the Division of Drivers Licenses. We recommend approval of these positions but suggest that a specific report on the administration of Chapter 1347 also be made.

The total impact of these new laws on California liability insurance experience should be interesting. Damage and injury reports received by the department now show that 86 percent of the persons involved carry insurance. The percentage of insurance carried by the motoring public has risen from approximately 35 percent in 1948 to the present 86 percent in the seven years during which the financial responsibility laws have been in effect. New York, which has the more severe provisions now incorporated in California law affecting the vehicle owner as well as the driver, has a 91 percent insurance experience rate. The New York law has been in effect 13 years.

Allocation From the Contingency Reserve for Fire Loss

The department experienced a major fire at its stores warehouse located at 11th and R Streets in Sacramento in the latter part of 1955. The stores warehouse was the central location for the entire State for receiving, storing and issuing supplies and equipment. The estimated expenditures for the current year show an allocation from the contingency reserve of \$89,911. This money was expended to replace forms, to replace a fork lift truck used to handle license plates, and miscellaneous other supplies. The entire stores warehouse is now located in the department headquarters building.

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

ITEM 172 of the Budget Bill

Budget page 661
Budget line No. 60

**FOR ADDITIONAL SUPPORT OF DEPARTMENT OF MOTOR VEHICLES
FROM THE MOTOR VEHICLE LICENSE FEE FUND**

Amount requested	\$2,715,492
Estimated to be expended in 1955-56 Fiscal Year	2,600,000
Increase (4.4 percent)	\$115,492

Motor Vehicle License Fee Fund—Continued

RECOMMENDATIONS

Amount budgeted	\$2,715,492
Legislative Auditor's recommendation	2,715,492
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

INFORMATION SERVICE TO AID TO NEEDY CHILDREN PROGRAM

ITEM 173 of the Budget Bill Budget page 661
Budget line No. 64

FOR ADDITIONAL SUPPORT OF DEPARTMENT OF MOTOR VEHICLES FROM THE GENERAL FUND

Amount requested	\$15,000
Estimated to be expended in 1955-56 Fiscal Year	12,000
Increase (25.0 percent)	\$3,000

RECOMMENDATIONS

Amount budgeted	\$15,000
Legislative Auditor's recommendation	15,000
Reduction	None

ANALYSIS

The Department of Motor Vehicles provides information to the Department of Justice from the registration and drivers license files for the Aid to Needy Children Program. This program, administered by the Department of Justice, consists of providing a clearing house for the collection of information from all available state records to assist the counties in locating fathers who do not support their families. Initiated by the Attorney General, the clearing house operation receives requests from county district attorneys for any information on defendants in aid to needy children cases.

It was decided at the beginning of the program that services rendered by the Department of Motor Vehicles should be a General Fund charge. An amount of \$24,000 was appropriated for the current year; this has been adjusted down to \$12,000 estimated to be expended for the volume of referrals handled this year. This decrease reflects in part a change

Information Service to Aid to Needy Children Program—Continued

in the cost of the service by the Department of Motor Vehicles from \$2 per referral to actual cost. In the budget year an increase in the number of information requests is anticipated.

We recommend the amount budgeted.

**Department of Motor Vehicles
DEFICIENCY PAYMENTS**

ITEM 174 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 transferred for additional support and capital outlay in the 1955-56 Fiscal Year.....	99,636
Increase	\$364

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.

During the current fiscal year it became necessary to transfer \$99,636 from the item for deficiency payments in the Budget Act of 1955. The above amount was necessary due to a fire which destroyed the department's warehouse in Sacramento. An amount of \$89,911 was used to replace forms and other supplies and equipment. The balance of \$9,725 was authorized for the construction of a freight elevator in the Sacramento headquarters building where supplies and equipment are now stored.

We recommend approval.

DEPARTMENT OF FISH AND GAME

ITEM 175 of the Budget Bill

Budget page 675
Budget line No. 63

FOR SUPPORT OF THE DEPARTMENT OF FISH AND GAME FROM THE FISH AND GAME PRESERVATION FUND

Amount requested	\$7,345,677
Estimated to be expended in 1955-56 Fiscal Year.....	6,971,706
Increase (5.4 percent).....	\$373,971