

system now installed in the disbursement division of the Controller's office, we recommend that when the mechanization program has progressed to the extent that the bank reconciliation of warrants in the Treasury Department is mechanized that personnel now performing these functions who are made unnecessary by this mechanization be eliminated from the Budget.

The major items which explain the decrease of \$1,971 in the amount budgeted for operating expenses are a decrease of \$4,100 in the amount budgeted for collection agency expenses, and a decrease of \$471 for insurance. The decrease in collection agency expenses is explained in part by a decline in amounts invested by the Treasury and the increased purchases of municipal bonds with a long maturity instead of the purchase of Treasury notes with a shorter maturity period. The above decreases were partially offset by increase for other operating items due to normal price increases.

The budgeted amount for equipment decreased \$1,191 and is due to additions to the vaults amounting to \$6,500 in 1948-49. The only additional equipment to be purchased in the 1949-50 Fiscal Year is a coin dispensing machine estimated to cost \$450. This machine is designed to accelerate operations at the cashier's window during peak periods and assure more accuracy in change transactions.

For Preparation and Advertising the Sale of Bonds, State Treasurer, Payable from the Veterans Farm Home and Building Fund of 1943

Item 152, page 32 of the Budget Bill and page 383 of the Budget. The amount requested is \$14,346 for the preparation and advertising of the sale of bonds under the authority of Chapter 18, Statutes of 1946. This amount is an augmentation of the original appropriation of \$35,000 for this purpose. The amount of \$14,346 appears to be necessary to complete sale of the bonds.

We recommend approval of the amount of \$14,346 as requested.

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

For Support of the Department of California Highway Patrol from the Motor Vehicle Fund

Item 153, pages 32 and 33 of the Budget Bill and pages 384 to 388, inclusive, of the Budget. The amount requested is \$9,683,969 from the Motor Vehicle Fund for support of the Department of California Highway Patrol. This is an increase of \$1,623,115 or 20.1 percent over the amount of \$8,060,854 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages -----	\$358,734	384
Operating expenses -----	303,693	384
Equipment -----	—35,411	384
Total -----	\$627,016	

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase for new or expanded service:		
Salaries and wages	\$630,590	384
Operating expenses	140,020	384
Equipment	225,489	384
Total	\$996,099	

Recommendations

Amount budgeted	\$9,683,969
Legislative Auditor's recommendations	\$8,687,870
Reduction	\$996,099

Analysis

The amount of \$6,771,834 is requested for salaries and wages for the 1949-50 Fiscal Year, an increase of \$989,324 or 17.1 percent over the actual and estimated expenditure of \$5,782,510 for 1948-49. The increase of \$989,324 in salaries and wages is 60.9 percent of the total budgeted increase of \$1,623,115. *The increase of \$989,324 includes provision for 214 new positions at a total cost of \$630,590 for the 1949-50 Fiscal Year, as shown in the following schedule:*

Enforcement Division		
20 Sergeants	\$81,840	
180 Traffic officers	517,670	
10 Intermediate typist-clerks	21,600	
Administration—Accounting		
1 Senior account clerk	2,640	
1 Intermediate clerk	2,160	
Administration—Personnel		
1 Senior clerk	2,520	
1 Intermediate typist-clerk	2,160	

The justification for additional personnel was "need for proper highway coverage." This need was determined by a departmental survey on highway miles, accident frequency, and 40-hour week.

We recommend that the amount of \$630,590 for salaries and wages for these new positions be disapproved for the following reasons:

1. No organized plan showing where the additional patrolmen would be assigned or the basis for assignment has been formulated.

2. Studies of patrol activity indicated that considerable time of patrolmen was spent in duties other than highway coverage, and that greater highway coverage could be attained by more efficient supervision of the activities of the patrolmen, eliminating these extra duties and getting the patrolmen on the highway, instead of increasing the personnel at an additional cost to the State. We believe another year under the new organization is necessary to produce such results or it will be demonstrated that the increased overhead is not justified by results secured.

3. *Highway coverage was increased by 68 patrolmen who finished training school and were ready for duty January 6, 1949. Thirty more who are now in training will be placed on duty before March 31, 1949.* Estimating that each patrol car will cover 3,500 miles of highway per month, approximately two million miles of highway coverage will be accomplished by the additional patrolmen.

4. No study has been made to establish a minimum ratio or percentage of accidents which could be considered a stopping point beyond which additional traffic officers would not justify the cost. We recommend that such a study be made.

We recommend that an increase of \$358,734 in salaries and wages be approved as this is the amount budgeted for salary adjustments and new positions estimated to provide service based on work loads at the existing level of service.

The amount of \$2,253,945 is requested for operating expenses for the 1949-50 Fiscal Year, an increase of \$443,713 or 24.5 percent over the estimated expenditures of \$1,810,232 for 1948-49. The increase of \$443,713 or 27.3 percent of the total budgeted increase of \$1,623,115. *An increase of \$303,693 is the amount budgeted for operating expenses estimated to cover normal price increases and to maintain service at existing levels based on anticipated work loads.* We recommend approval of this increase in the amount of \$303,693. *The amount of \$140,020 is estimated to be expended for operating expenses of the 180 requested new traffic officers and 20 new sergeants, as shown in the following schedule:*

Feeding of 180 traffic officers, (requested new positions) for nine weeks, while in training, at \$3.00 per day per man-----	\$24,020
Estimated cost for the operation of 92 new patrol cars requested for the new officers above -----	116,000
Total -----	\$140,020

We recommend that the amount of \$140,020, new service, be disapproved.

The amount of \$658,190 is requested for equipment expenses for the 1949-50 Fiscal Year, an increase of \$190,078 or 40.6 percent over the estimated expenditures of \$468,112 for 1948-49, comprising 11.7 percent of the total budgeted increase of \$1,623,115. The amount of \$225,489 is for equipment for new positions requested for expanded services. The following is a schedule of this equipment:

92 cars for new officers -----	\$220,734
Desks, chairs and typewriters for 10 intermediate typist-clerks -----	3,250
Desks and chairs for two clerks in Administration—Accounting-----	328
2 adding machines for clerks -----	670
Desk and chair for senior clerk in personnel-----	182
Desk, chair and typewriter for intermediate typist-clerk in personnel -----	325
Total -----	\$225,489

We recommend that the above amount of \$225,489 be disapproved, based on disapproval of the new positions requested for expanded service.

The resulting increase after the recommended reduction of \$996,099 is \$627,016, or 7.8 percent over the amount of \$8,064,854 estimated to be expended in the 1948-49 Fiscal Year. *The amount of \$627,016 allows for an increased expenditure for salaries and wages in the amount of \$358,734, which covers salary adjustments and a sufficient number of new positions, if utilized properly, to materially improve the services based on present work load estimates. The increase of \$303,693 for operating expenses allows sufficient to cover price increases and the expenses due to increased mileage of 200 miles per month for each patrol car.*