

State Treasurer—Continued

An interesting development which took place during October 1959, was the reduction in demand deposits from \$37.5 million to \$35.5 million, offset in part, by the creation of a term noninterest-bearing bank account of \$167,000, with a termination date of June 30, 1960.

This deposit was placed with one bank as compensation for acting as the Treasurer's collection agent for all maturing state-owned bonds and coupons for the period from October 1, 1959 to June 30, 1960, and was granted on the basis of competitive bids. The bank was willing to accept a term deposit in a lesser amount than a demand deposit as compensation for these services because of the lower reserve required to be maintained with the Federal Reserve Bank; 5 percent for a term deposit as compared to 16½ percent for a demand deposit.

We recommend reconsideration of the existing policy establishing the level of time deposits with banks with a view to making such deposits on the basis of the highest increment to the State.

DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL

ITEM 128 of the Budget Bill

Budget page 341

FOR SUPPORT OF THE CALIFORNIA HIGHWAY PATROL
FROM THE MOTOR VEHICLE FUND

Amount requested	\$29,792,442
Estimated to be expended in 1959-60 fiscal year.....	28,695,844
Increase (3.8 percent)	\$1,096,598
TOTAL RECOMMENDED REDUCTION.....	\$21,772

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Salaries and wages			
1 Painter I	\$5,772	342	22
Operating expenses			
Contractual analysis services.....	9,000	342	38
Aircraft rental	5,000	343	32
Psychological services	2,000	344	67

ANALYSIS

The increase of 3.8 percent in this budget is principally for normal merit increases in salary and wages, the addition of 53.2 new positions, and acquisition of new and replacement equipment.

Painter I (budget page 342, line 22)..... \$5,772

The agency has requested the new position of Painter I for the principal purpose of repainting the crash helmets worn by uniformed personnel assigned to motorcycle duty. Additional work assignments of this man would be repairing fire extinguishers, steel and cloth tapes, brake testers, and arranging for repair of weighing devices.

It is recommended that this position be denied until the following questions are resolved.

The agency now has 709 helmets on hand. Of these, 336 were repaired last year at a contracted cost of \$6,337, or \$18.86 per helmet. The salary for the position under discussion (\$5,772) has been offset by a like reduction from operating expenses. A figure of \$750 is given as the annual

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cost of materials necessary to effect helmet repairs. Thus, the estimated annual cost for assuming this activity is \$6,522.

The principal reason for repainting is that the initial paint is scratched or abraded and the basic plastic color then shows. As fabricated, the helmet is of white fibre glass or plastic. The helmet is then painted gold with a blue band around the lower portion and a decal of the patrol emblem or cap device is affixed to the front center on the blue band. The gold pigment in the paint used by the manufacturer and repairer is difficult to keep in suspension while spraying or applying it to the helmet and, as a result, does not cover with equal density, thus requiring that special precautions be taken as well as requiring respraying on occasion. It is for this reason, we believe, that the holder of the repairing contract is not particularly desirous of a renewal. Further, the gold paint darkens appreciably with age.

It is not believed that either the manufacturer of these helmets or the patrol has fully explored the possibility of impregnating the material from which helmets are made with gold or other coloring or the possibility of changing the basic color of the helmet to preclude the necessity of initial painting or repainting.

It appears to us that a single solid color helmet with the decal affixed to the front would suffice. This color should be such as to provide additional safety from a visibility aspect to the officer wearing it during hours of darkness.

Contractual analysis services (budget page 342, line 38)----- \$9,000

The patrol has requested \$9,000 to reimburse the Department of Finance, Organization and Cost Control Division for a continuing study of its organization.

It is recommended that this item be deleted in view of the following observations.

This study has been in progress since August 1959 and we fail to see why it should be continued beyond June 30, 1960, a period of 11 months.

Further, on December 1, 1959 the patrol was reorganized to a considerable degree by the commissioner of the patrol.

It is believed that future reorganizations can be readily planned and executed by and within the patrol itself within the minimum technical advice of the Organization and Cost Control Division at a greatly reduced cost.

Aircraft rental (budget page 343, line 32)----- \$5,000

The California Highway Patrol has requested \$5,000 for the purpose of renting small (2-4 place) aircraft, fixed or rotary wing to be used for observing traffic during periods of maximum enforcement.

It is recommended that these funds be denied until the patrol establishes the objectives, the experimental techniques, and a system of reports to be used in the evaluation of this type of operation.

For three fiscal years to June 30, 1960, it is estimated that the patrol will have expended \$7,114 for this purpose.

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A review of the patrol's reports on past usage of aircraft for this purpose indicates little or no advance planning as to what the objective of the operation would be. As a result such reports neither support or deny the value of such operations in modern traffic control.

Psychological services (budget page 344, line 67)----- \$2,000

The purpose for which the patrol has requested these new services is to permit the employment of a psychologist to serve as a member of a proposed "Board of Review" to be established at the Patrol Academy for the purpose of examining cadets whose record, attitude, demeanor, and motivation as observed while in attendance at the academy, are below that which should be expected of a traffic officer of the California Highway Patrol.

We recommend that funds for support of this new service, for reasons outlined below, be withheld until such time as the Personnel Board's position relative thereto is determined.

The creation of this proposed board has received tentative approval of the Personnel Board. We can only presume that the purpose of the "Board of Review" would be to eliminate from the cadet ranks those individuals found to be unfit prior to assignment to field duty as a traffic officer.

The question then arises, would the Personnel Board sustain such an action by this "Review Board" based upon professional judgment of the uniformed members of the patrol sitting thereon and supported by the psychologist member? Without such a tacit understanding the proposed "Review Board" would be of little value to the patrol.

Additional new positions----- \$311,769

In addition to the position discussed above, the patrol has requested 52.2 other new positions at a cost of \$311,769. Included are 33 sergeants needed to re-establish the agreed one to ten ratio of sergeants to traffic officers. The remaining 19.2 positions are considered justified by a review of the workload factors provided in their support.

We recommend approval of these positions as requested.

Survey of the California Highway Patrol

We have recently completed a comprehensive review of the functions, organization and operations of the California Highway Patrol, the findings and recommendations of which are contained in a report which will be presented to the Joint Legislative Budget Committee. This report contains, we believe, significant findings and recommendations regarding the California Highway Patrol which may assist the Legislature in making future decisions during their deliberations on this agency.

**Department of California Highway Patrol
DEFICIENCY PAYMENTS**

ITEM 129 of the Budget Bill

**FOR PAYMENTS OF DEFICIENCIES IN APPROPRIATIONS FOR THE
DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL FROM THE
MOTOR VEHICLE FUND**

Amount requested	\$100,000
Estimated to be expended in 1959-60 fiscal year	None
Increase	None

TOTAL RECOMMENDED REDUCTION None

ANALYSIS

The amount appropriated for this purpose in the Budget Act of 1959 was also \$100,000 and as of this date no emergencies have arisen to encumber it.

This agency is precluded by statute from requesting funds to defray contingency expenses from the Emergency Fund. In the past, a \$100,000 contingency fund has been provided, under control of the Department of Finance, to cover additional costs of motor vehicle operation only. This cannot be used for salaries, equipment, or general operating expenses.

We recommend approval.

DEPARTMENT OF INDUSTRIAL RELATIONS

ITEM 130 of the Budget Bill

Budget page 346

**FOR SUPPORT OF DEPARTMENT OF INDUSTRIAL RELATIONS
FROM THE GENERAL FUND**

Amount requested	\$10,672,913
Estimated to be expended in 1959-60 fiscal year	9,636,089
Increase (10.7 percent)	\$1,036,824

TOTAL RECOMMENDED REDUCTION \$205,732

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
Division of Administration :			
Salaries and wages :			
2 temporary help	\$6,330	347	15
Operating expenses :			
Printing	5,000	347	24
Out-of-state travel	1,500	347	27
Division of Industrial Accidents :			
Operating expenses :			
Printing	3,000	349	6
Division of Industrial Safety :			
Salaries and wages :			
3 safety engineer	21,024	349	50
2 intermediate typist-clerk	7,260	349	52