

**Resources Agency
PROTECTED WATERWAYS PROGRAM**

**Item 228 from the Fish and Game
Preservation Fund**

Budget page 1177

Requested 1970-71	\$25,053
Estimated 1969-70	\$24,397
Requested increase \$656 (2.7 percent)	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

Approval is recommended.

This item appropriates \$25,053 from the Fish and Game Preservation Fund for expenditure through the Resources Secretary's Office on the fish and wildlife portion of the Protected Waterways Program. This program is discussed further in Item 225.

DEPARTMENT OF AERONAUTICS

Item 229 from the Aeronautics Fund

Budget page 1179

Requested 1970-71	\$463,321
Estimated 1969-70	441,640
Actual 1968-69	431,104
Requested increase \$21,681 (4.7 percent)	
Total recommended reduction	\$65,853

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

1. We recommend that the Noise Standard Element be ended and the budget reduced by \$41,748, and one clerical and an assistant counsel position be deleted. (Analysis page 879.)
2. We recommend that the fees for the regulation of sport parachute jumping be increased to make the program self-supporting and the budget be reduced by \$1,813. (Analysis page 880.)
3. We recommend that the budget for the regulation of flight schools be reduced by \$8,331. (Analysis page 880.)
4. We recommend that the air marking program be terminated and the budget reduced by \$6,245. (Analysis page 881.)
5. We recommend the request for a steno II position for the administration program be deleted and the budget reduced by \$7,716. (Analysis page 882.)

GENERAL PROGRAM STATEMENT

The activities of the Department of Aeronautics include: encouraging the development of private flying and general use of air transportation, fostering air safety, assisting in the development of a statewide system of airports, and providing for cooperation with federal authorities in the development of a national system of civil aviation as well

Department of Aeronautics—Continued

as coordination of aeronautics activities of federal authorities with the State of California.

The programs administered by the department to accomplish its objectives include: (1) Development of aviation and navigational facilities, (2) aviation safety and education, and (3) administration.

The department is supported by the Aeronautics Fund which receives its revenue from a two-cent-per-gallon aviation fuel tax. Any revenue in excess of the amount needed to support the department is deposited in the Airport Assistance Revolving Fund. After a mandatory allocation of \$2,500 per eligible airport, (estimated at \$500,000 for fiscal year 1970-71), the remaining balance is allocated for airport development at the discretion of the Aeronautics Board.

ANALYSIS AND RECOMMENDATIONS**Development of Aviation and Navigational Facilities**

The objective of this program is to plan for the optimum use of available airspace and to provide technical and financial assistance toward the development of aviation and navigational facilities. Ongoing elements within this program include: (1) allocation of airport assistance revolving funds, (2) regulation of airports and heliports, (3) inspection of schools and state building sites, (4) leasing navigational system, (5) noise standards for airports, and (6) State Airport Master Plan. The allocation of the Airport Assistance Revolving Fund is made pursuant to Section 21680 of the Public Utilities Code and the State Master Airport Plan is funded by a separate item. The department requests a total of \$289,858 under this item for the Development of Aviation and Navigational Facilities program. Program elements about which we have some question are discussed below.

Noise Standards for Airports

During the 1969 Session, the Legislature enacted legislation which required the Department of Aeronautics to develop and adopt noise standards governing the operation of aircraft and aircraft engines for airports operating under a valid permit issued by the department to the extent not prohibited by law. The act, Chapter 1585, Statutes of 1969, established an advisory committee to assist the department in the adoption of standards and directed that the regulations be presented to the Legislature by April, 1970, which, in the absence of legislative action, were to become effective January 1, 1971.

The bill provided \$50,000 from the General Fund to be repaid by the Airport Assistance Revolving Fund from the revenue realized from a newly imposed tax on aircraft jet fuel.

Further, the bill specifically provided that the counties would be responsible for the enforcement of the regulations and directed that the officer in charge of the airport provide the enforcement authority, to be designated by the county, such information as is required by the noise standard regulations to permit their efficient enforcement.

The department, in response to the act, added two positions to its staff, one assistant legal counsel and one clerical, and is now in the process of developing the standards which will be ready by April.

Department of Aeronautics—Continued

The department requests an appropriation of \$41,748 for the noise standard element for fiscal year 1970-71. This is to enable the department to provide enforcement of the standards. We are opposed to this request. The enabling legislation clearly stipulated that the counties would be responsible for enforcement. The duty of the Aeronautics Department is fulfilled when the standards are developed.

We recommend that the Legislature direct that the noise standard element of the department's program be ended during the current year and recommend that the budget be reduced by \$41,748.

We further recommend that the request for authorization of a legal counsel and a clerical position in connection with this element be denied since the program is unnecessary.

Aviation and Safety

The objectives of this program are to develop and promote a safety program and to insure the adequacy of training equipment, facilities and procedures in aeronautical activities and schools. Elements within the program include: (1) regulation of parachute jumping, (2) financial responsibility, (3) safety and education, (4) regulation of commercial flight schools, (5) search and rescue, and (6) airmarking. The department requests \$90,463 for this program.

Regulation of Sport Parachute Jumping

In our Analysis of the Budget Bill for fiscal year 1969-70, we recommended that the department be directed to levy fees sufficient to finance its parachute jumping activities. We maintained that this program should be fully self-supporting.

During the past year, the department reduced the cost of this program from \$23,430 to \$1,813, principally by reducing its activities. We support the department's efforts to economize but renew our recommendation that the entire program should be self-supporting.

At the present time, the department charges a fee of \$100 for the original application for a permanent drop zone, \$25 for a temporary drop zone, and \$3 for processing an application for a California Parachutist Identification Card.

We believe that an increase in the fee for a temporary drop zone is warranted since a large majority of the jumps in these areas are staged for commercial purposes. The department estimates that it will permit the establishment of 140 temporary drop zones during the budget year. If the charge per permit were raised to \$40, the additional revenue would make the program self-supporting.

We recommend that the fees for temporary drop zone permits be raised from \$25 to \$40 to make the program self-supporting.

We recommend that the budget be reduced by \$1,813.

Commercial Flight Schools

The department, during the current fiscal year, estimates that it will investigate approximately 100 flight schools at a total cost of \$9,863 and

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utilize 0.3 man-years. It proposes to investigate the same number of schools during the budget year but requests an authorization for 0.7 man-years and \$18,194. We are unable to justify the increased expenditure when the output level remains stable.

We therefore recommend that the budget be reduced by \$8,331.

Airmarking

During the past year, the department began a project to encourage the operators of airports in the state to mark their airports as an aid to navigation. The desired markings include the name of the airport, the elevation, the magnetic headings of the runway and whether or not there is a unicom.

The department was involved in the program to the extent that it hired two students and a delineator who, during the summer, traveled to airports within driving distance of Sacramento to lay out the total required letters and numbers for a given airport. The operators of the airport were then expected to complete the painting. The total cost to the state during the current year is \$4,976.

The department proposes to continue the program in the budget year but requests sufficient funds to pay the summer employees a per diem allowance since they would not return to Sacramento each day as was the case last year. It requests \$6,245 to pay salaries and per diems.

We are opposed to this program as it is presented. We do not believe that the department should involve itself in outlining letters and numbers if the operators of the airports are expected to do the actual painting. Since this project is not required by law, the department can only request the cooperation of the operators and cannot enforce compliance. Therefore, we recommend that the department, which is aware of most of the permitted and nonpermitted airports within the state, request by correspondence that the operators mark their airports. We do not believe that the department should involve itself in the physical marking.

We recommend that the budget be reduced by \$6,245 and that the department's physical participation in the airmarking program be terminated.

Administration

The administrative program of the department includes the executive office (the director and his staff, the eight-man Aeronautics Board, the fiscal office and the administrative services section). The department requests \$153,896 for its administrative program in the budget year, an increase of \$16,097 over the estimated expenditures for the current year which included a one-time cost of \$50,000 for an airplane.

The current authorized personnel level is 21.9 positions. The department requests four new positions: an assistant counsel, an aviation consultant and two clerical personnel.

The department requests a counsel and a clerical position to staff its noise enforcement program. We have previously recommended that

Department of Aeronautics—Continued

since we believe a continuing noise standard enforcement program is contrary to the intent of Chapter 1585, Statutes of 1969, the program should be terminated and the positions attributable to it eliminated. We, therefore, recommended that the assistant counsel position and one clerical position be denied. The savings have been previously indicated.

The department states that in addition to involvement in the noise standard program, the counsel would have other administrative duties. In our 1969-70 Analysis, we noted that the department had abolished its counsel position and had substituted an administrative assistant who now performs the duties for which a counsel is requested. The administrative workload of the department has not significantly increased, nor has the department proposed the elimination of the administrative assistant. We are, therefore, unable to justify the need for a counsel in any program.

The department requests the other clerical position for its administrative program. We recommend disapproval of this request for the following reasons. First, the department is apparently not pressed for clerical support since during the past year it administratively eliminated a clerical position and established an accounting technician position. The accounting technician position was requested in the 1969-70 budget but the Legislature disallowed the position upon our recommendation.

Second, the Legislature approved the department's request for two clerical positions for the financial responsibility program. Apparently, both positions were not required since the department indicates it will require only 0.8 clerical position for that program for the budget year. The department thus has an apparent surplus of 1.2 clerical positions.

Third, the department's staff spends a large portion of its time in the field and at meetings. As a result, the need for a high ratio of clerical to professional staff is questionable. We believe that in such a small department the director's and deputy director's secretaries should be able to fill in on crucial assignments.

The aviation consultant is requested as a result of the workload. The department is currently authorized one supervising aviation consultant and six aviation consultants to maintain their aviation and safety programs some of which are mandatory and some discretionary.

During the past year, the department experienced 2.7 man-years of overtime by the staff in order to fulfill the requirements of the programs. The aviation consultant is requested to help reduce the workload per consultant.

We recommend that the steno II position requested for the administration program be deleted and the budget reduced \$7,716.

We recommend the approval of the aviation consultant position.

Department of Aeronautics

STATE MASTER AIRPORT PLAN

Item 230 from the Aeronautics Fund

Budget page 1181

Requested 1970-71 -----	\$51,000
Estimated 1969-70 -----	---
Actual 1968-69 -----	160,000
Requested increase \$51,000	
Total recommended reduction -----	\$51,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
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The funds in this item have been requested to finance Phase II of the State Master Airport Plan. We recommend that funds for Phase II not be included in the 1970-71 budget, to permit full legislative review of Phase I scheduled to be completed March 1, 1971.

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ANALYSIS AND RECOMMENDATIONS

The Department of Aeronautics is now in the process of developing the first phase of a two-phase master plan for aviation. When completed, the plan will provide a logical basis for the distribution of the Airport Assistance Revolving Fund and will relate the needs of the state to the potential financing of airport development. The project was funded at \$160,000 by Item 231, Budget Act of 1968.

A consultant was hired in the current year at a total cost of \$441,980 of which the state's share is \$141,980 which was funded in the previous year. The remainder is funded by a federal allocation of \$300,000. Work on Phase I is expected to conclude on March 1, 1971. There will be an eventual payment to the consultant of \$594,710 if the firm presently working on Phase I is hired to complete Phase II. Of this amount, total state expenditures will be \$192,980. However, there will be an additional program expenditure of \$89,360 which is the total cost to the department for personnel and equipment. Total state costs to develop the master plan will therefore be \$282,340. The contract signed by the department requires the consultant to complete only Phase I. However, the contract stipulates that the consultant has agreed to complete work on Phase II for \$152,730, but the department is not required to accept this offer and may hire another firm to complete Phase II. A provision in the contract does require the consultant to be notified of the department's decision to continue to Phase II within six months after conclusion of Phase I. This year's budget includes \$51,000 to finance the state's share of Phase II. The balance is from federal sources.

When the master plan was first proposed, we expressed reservations regarding the work program. We maintained that it would contain policy issues which the Legislature should review prior to allocating funds for the development of the final plan. The department subsequently agreed to divide the plan into two phases in terms of work

State Master Airport Plan—Continued

content and funding. The first phase will evaluate airport assistance in order to determine future demand. Alternative aviation systems will be identified and cost estimates developed. Based on the information provided in Phase I, a statewide aviation plan and implementation program will be developed in Phase II. We recommended an appropriation to finance the state's share of the first phase provided the Legislature would be permitted to review the completed Phase I report before allocating funds for Phase II.

Prior to the final negotiation of the contract, it was anticipated that work on Phase I would be completed by December 1970. The department at that time indicated that funds would have to be included in the 1970-71 budget to permit work to begin on Phase II as soon after the completion of Phase I as possible. Concern was expressed that an excessive financial burden would be placed on the consultant if funding was delayed until the beginning of the 1971-72 fiscal year. We agreed that a problem existed and that funds could be included in the department's 1970-71 budget for funding of Phase II, but that these funds could not be expended until released by the Legislature upon completion of review of the first phase. This was based on the belief that a seven-month period between December 1970 and July 1971 would lapse before work on Phase II could begin if funds were not included in the 1970-71 budget. The scheduled completion of Phase I, however, has now been extended until March 1, 1971. *We recommend, therefore, that the \$51,000 requested by the department for the state's share of completing Phase II of the master plan be deleted.* We feel that the request for these funds should be delayed until the 1971-72 budget. This will permit proper legislative and departmental review and consideration of Phase I prior to enactment of the 1971 Budget Bill. We believe the four-month delay from March 1 to July 1 will not place an unfair financial burden on the consultant and will be within the limits of the contractual agreements requiring the consultant to be notified of the department's intention to proceed with Phase II within six months after the completion of Phase I.

CALIFORNIA HIGHWAY PATROL

Item 231 from the Motor Vehicle Fund

Budget page 1200

Requested 1970-71	\$116,573,582
Estimated 1969-70	113,605,533
Actual 1968-69	96,815,685
Requested increase \$2,968,049 (2.6 percent)	
Increase to improve level of service	\$1,500,000
Total recommended reduction	\$267,719

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

The California Highway Patrol proposes to fill 119 vacant traffic officer positions in the 1970-71 fiscal year. We recommend the positions be

California Highway Patrol—Continued

filled by removing 117 of the 300 traffic officers from the passenger vehicle inspection program to be replaced by the same number of non-uniformed station and vehicle inspection specialists. We anticipate a one-time savings of \$267,719 in training, applicant examinations and investigation and preemployment physical examination costs and continual annual savings of \$212,472 in salaries and staff benefits.

Under the department's program budget, traffic officers are deployed onto either the state highway or county road systems. Proposed for the 1970-71 fiscal year is the allocation onto the county road system of only 12 percent of the total manpower available for all road patrol. However, this system accounts for one-third of the vehicle miles and 48 percent of the accidents within the department's jurisdiction. We recommend the department reevaluate its program of manpower allocation to permit a reasonable balance of response to all roadways according to need, not classification.

GENERAL PROGRAM STATEMENT

The California Highway Patrol as a department under the Transportation Agency, is responsible for assisting in the safe and convenient movement of goods and people on the highway system. Its authority for the control of moving vehicles extends to all highways not within incorporated areas and to all roadways designated as freeways. Implementation of its responsibility is performed by traffic officers in the field, through visual road patrol and enforcement of the California Vehicle Code. The traffic officers patrol functions also include the investigation and reporting of accidents, and rendering aid to distressed motorists and to other law enforcement agencies. Traffic officers are assigned special duties that include the inspection of passenger vehicles for mechanical deficiencies, automobile theft investigation, measurement of vehicle noise on the highway, the operation of stationary platform scales, the inspection of schoolbuses, ambulances and armored cars and the weighing of commercial vehicles with mobile scales. In the field the department also has civilian specialists who are responsible for the inspection of commercial motor carrier terminals and the licensing and inspecting of official motor vehicle pollution control stations.

Support for the traffic officer is provided by uniformed and non-uniformed personnel in the field offices and at the headquarters in Sacramento. Field operations are divided geographically into zones and areas. Six zone offices located in Redding, Sacramento, San Francisco, Fresno, Los Angeles and San Diego are responsible for the operation and supervision of 78 area offices, each of which is commanded by a captain or a lieutenant. One of the area commander's principal responsibilities is the deployment of traffic officers onto the state highways and county roads within his jurisdiction.

The department's executive staff and four functional divisions (operational planning and analysis, training, safety services and ad-

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ministrative services) occupy the headquarters office in Sacramento. The Operations Planning and Analysis Division is responsible for analyzing the efficiency of field operations, planning the implementation of the recent staff increases, assisting field supervisors in determining rational staff deployment, and collecting and summarizing information for management purposes. The Training Division instructs cadets, conducts in-service classes and provides specialized training for potential command level personnel. The Safety Services Division is responsible for the development and dissemination of regulations and procedures required for the safe mechanical operation of motor vehicles, securement of loads, sale of automotive equipment, and the operation of official stations. The Administrative Services Division has the responsibility for all personnel services and accounting activities, the warehouse system, and for the acquiring and equipping of patrol cars and motorcycles. The executive office advises and provides information to the Commissioner of the California Highway Patrol on administration of the department's affairs.

Departmental Growth

Growth of the department during the last five years can largely be attributed to the passage of specific legislation. The most significant is Chapter 2031, Statutes of 1965. This bill authorized doubling the department's uniformed strength by December 31, 1968. To pay for these additional positions, a dollar was added cumulatively to motor vehicle registration fees in each of the three years, 1966, 1967 and 1968. The ultimate registration fee imposed in 1968 will continue in subsequent years. Pursuant to Chapter 2031, the department added 1,900 traffic officers; 1,000 in 1966, and 450 each in 1967 and 1968. The Budget Act of 1965 authorized 551 traffic officers and supervisory personnel for assignment to six major accident roadways. A further basis for patrol expansion was provided by Chapter 1451, Statutes of 1965 which modified Section 2400 of the Vehicle Code giving the department full responsibility for all urban freeways except within the Cities of Los Angeles and San Diego. Chapter 1451 amended Section 2400 to permit any city to request the department to assume the responsibility for its freeways. In 1968, formal requests were adopted by the Cities of Los Angeles and San Diego. This provided the basis for authorization in the 1969 Budget Act of 357 additional uniformed personnel.

Table 1 shows the growth of authorized positions in the department since 1964-65 and compares the level of authorized traffic officer positions with the number of filled positions on the dates indicated.

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Table 1
California Highway Patrol Growth
in Authorized Positions

	Traffic officers		Supervising officers authorized	Man-years overtime		Total authorized man-years
	Authorized	(Filled)		all uniformed personnel	Nonuni- formed ² authorized	
June 30, 1965	2,566	(2,525)	455	110.8	1,082.3	4214.1
June 30, 1966	3,117	(3,086)	455	132.8	1,292.3	4997.1
June 30, 1967	4,125	(3,840)	540	172.8	1,503.3	6341.1
June 30, 1968	4,575	(4,340)	661	183.8	1,707.4	7127.2
June 30, 1969	5,025	(4,715)	711	192.8	1,754.8	7490.8
June 30, 1970	5,366	(4,734)	721	198.8	1,910.2	8196.0
June 30, 1971 ¹	4,932	(4,853)	742	198.8	1,801.7	7674.5

¹ Proposed.² Excludes crossing guards.

ANALYSIS AND RECOMMENDATIONS

The Support Budget requested by the department totals \$116,573,582 which is an increase of \$2,968,049 or 2.6 percent over the current year. This increase includes \$1,924,364 for salaries and wages, \$756,373 for operating expenses, \$453,641 for staff benefits, \$40,620 for workmen's compensation, and a \$1,363,517 offsetting reduction in reimbursements. There will, however, be an anticipated savings of \$1,570,466 in equipment expenses. The department has administratively reduced by 921.5 the number of positions authorized for the current fiscal year. Included in the reductions are 400 school crossing guard positions who are special personnel, not standard uniformed officers. The department administers this program on a contract basis for local jurisdictions and it is fully reimbursed. Therefore, no savings is anticipated as a result of its elimination. Discontinuance of this program was based on the administration's decision to strengthen local government control and autonomy by transferring the responsibility for local programs to the cities and counties.

Table 2
Deleted Positions

Positions	Positions authorized 1969-70	Deleted positions 1970-71	Remainder	Salaries and wages savings
Auto equipment installer	20.0	-2.0	18.0	\$14,556
Stock clerk	16.0	-3.0	13.0	19,496
Laborer	7.0	-1.0	6.0	6,906
Clerk I	19.0	-2.0	17.0	9,720
Food service assistant	30.0	-4.0	26.0	21,054
State traffic officer	5,363.0	-413.0	4,950.0	3,959,640
Pedestrian crossing guard ¹	400.0	-400.0	-	-
Auto serviceman	109.5	-10.0	99.5	75,300
Clerk-typist II	394.2	-18.0	376.2	101,196
Brake inspection specialist	39.0	-8.0	31.0	68,168
Commercial vehicle inspection specialist	70.0	-20.0	50.0	133,410
Station and vehicle inspection specialist	53.0	-7.0	46.0	65,772
Janitor	126.3	-14.5	111.8	80,939

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Table 2—Continued
Deleted Positions

<i>Positions</i>	<i>Positions authorized 1969-70</i>	<i>Deleted positions 1970-71</i>	<i>Remainder</i>	<i>Salaries and wages savings</i>
Assistant motor carrier operations specialist -----	56.0	—13.0	43.0	134,628
Clerk II -----	52.0	—3.0	49.0	16,866
Key punch operator -----	46.0	—3.0	43.0	17,460
Total -----	6,801.0	—921.5	5,879.5	\$4,725,111

¹ Program proposed to be discontinued, July 1, 1970.

The department in the current year was able to reduce the level of expenditures an estimated \$3.4 million in salaries and wages by not filling 521 positions that had become vacant through attrition or were newly authorized but not filled. Of the positions that were not filled, 413 were uniformed. The department's budget proposes to fill 119 vacant traffic officer positions which accounts for approximately \$1.5 million or 62 percent of the \$2,411,834 in additional support requested for the budget year.

Passenger Vehicle Inspection Program

Proper utilization of the additional uniformed personnel received as a result of the passage of Chapter 2031, Statutes of 1965, had enabled the department to increase the number of man-years expended by sergeants and traffic officers on road patrol duty from 55 percent of the man-years expended in all duties in 1965 to 59 percent in 1967. However, this proportion decreased to 54 percent in 1968. The reduction in the percentage of man-years spent on patrolling the roads can be largely attributed to the deployment of 300 traffic officers to the passenger vehicle inspection program in the latter half of 1967.

The department initiated the passenger vehicle inspection program in 1966 with six inspection teams, generally employing four traffic officers and one station and vehicle inspection specialist (nonuniformed) per team. The program was expanded to the current level of 60 teams in August 1967, but the use of civilian specialists was curtailed because they had been originally authorized to inspect the motor vehicle pollution control stations and not to participate in roadside passenger vehicle inspection teams. We believe there is no reasonable basis for the department to have continued for three years a policy that fosters the inefficient utilization of such a large and highly skilled uniformed force. The well-trained traffic officer is most effective on the road and civilian specialists are capable of inspecting the mechanical condition of passenger vehicles. When asked why additional station and vehicle inspection specialists had not been requested to replace the traffic officers assigned to the passenger vehicle inspection program, the department indicated that in the event inclement weather forces the closing of the passenger vehicle inspection lanes, civilian inspectors cannot be utilized effectively, whereas uniformed members can be sent out on the road for patrol duty. We feel this is not reason enough to justify the underutilization of such a large number of uniformed personnel. A

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majority of teams are located in the southern part of the state where inclement weather is not a significant factor when considering the program's total operation. Information furnished by the department indicates that statewide, passenger vehicle inspection teams were not in operation primarily because of foul weather only 20 percent of the time between January and June 1969. It should be noted that the winter of 1969 was a period of extreme weather throughout the state.

Moreover, in the event a team must cease operations for whatever reason, we believe civilian specialists could be utilized to augment personnel now assigned to other inspection teams, for example the inspection of retail outlets. The department is responsible for the inspection of 29,000 stores that sell lamps and other motor vehicle equipment. The objective of the program is to annually inspect 15,600 outlets, but it is estimated that only 4,300 will be inspected in the 1970-71 fiscal year. Other duties the specialists could perform on a temporary basis is the inspecting of service stations licensed to be official brake, lamp and motor vehicle pollution control stations, the inspecting of armored cars and ambulances, or the validating of tickets given for vehicle equipment deficiencies.

The department has also indicated that in the budget year one traffic officer will be replaced by a civilian specialist on each of 20 passenger vehicle inspection teams on an experimental basis. This proposal, however, will replace only 6 percent of the 300 officers now assigned to passenger vehicle inspection teams and is far short of the number of traffic officers that we feel should be relieved of this duty. We suggest that a maximum of two traffic officers is required for inspection teams, one for traffic control and one for the issuance of citations, warrants and warnings as required.

We recommend, therefore, that the department hire 117 station and vehicle inspection specialists to replace three officers on each of 39 teams in lieu of filling 117 of 119 additional traffic officer positions in the next fiscal year. In addition, we recommend that the department's budget be reduced by \$267,719 which is the savings we anticipate will accrue as a result of hiring of 117 nonuniformed personnel.

We believe there are two distinct advantages in this course of action. First, the hiring of civilians to replace traffic officers permits the immediate deployment of those officers onto the road. In contrast, when civilians are employed to become traffic officers, extensive applicant investigation, testing and training are first required before they can receive a road patrol assignment. Second, the hiring of civilians instead of potential traffic officers would permit a one-time savings of \$267,719 and a continuing annual savings of \$212,472. Table 3 compares the cost of employing nonuniformed personnel as opposed to uniformed personnel. Not included in the first year savings of \$267,719 is the \$212,472 continuous annual difference in salaries and wages between uniformed and nonuniformed personnel. This was not included because the filling of a large number of positions is staggered throughout the year. Therefore, the full savings of \$212,472 would not be realized in the first year. It should be noted, however, that a substantial savings in

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salaries and staff benefits would occur despite the staggered hiring, although an estimate is not practical at this time.

Table 3
Summary of Uniformed and Nonuniformed Costs

	<i>One-time cost of 119 positions</i>	
	<i>Uniformed</i>	<i>Nonuniformed</i>
Cadet training -----	\$194,571	--
Applicant examination and instruction ----	54,405	--
Pre-employment physical examination -----	6,552	\$2,434
Basic police protection equipment -----	14,625	--
Total -----	\$270,153	\$2,434
Difference -----	\$267,719	
	<i>Continuous Annual Costs</i>	
Salary and staff benefits -----	\$1,444,248	\$1,231,776
Difference—uniformed over nonuniformed	\$212,472	

Level of Service Determination

The number of filled traffic officer positions at the end of the 1968-69 fiscal year was 4,715. This level will remain constant in the current year but an additional 119 traffic officer positions are proposed to be filled in the 1970-71 fiscal year, an increase of 2.5 percent. However, during the same two-year period there will be a 10-percent increase in the number of vehicle miles traveled on roadways within the jurisdiction of the California Highway Patrol. What impact this declining proportion of traffic officers to vehicles miles traveled will have on highway safety is difficult to determine. The difficulty arises from the department's apparent inability to complete two studies designed to determine the effectiveness of the traffic officer in reducing accidents.

In 1964 the first study entitled "Operation 101" was undertaken. A 35.3 mile section of State Highway 101 near Oceanside was manned with 36 officers as compared to a prior allocation of 18. The accident record for 1964 was compared with the average of the three preceding years. A decrease of about 31 percent in the rate of fatal and injury accidents was attributed to the increased patrol strength and was used as a basis for the doubling of the department's uniformed strength authorized and financed by Chapter 2031, Statutes of 1965.

The initial findings of the "Operation 101" study did not demonstrate conclusively that a doubling of the patrol staff on other highways would produce comparable results because the study was limited to a small unique section of highway and only one variation was made in the prior staffing level. The optimum staff level for that section of highway could have been higher or lower than the one tested.

The department recognized the need to test the conclusions drawn from the "Operation 101" study and conducted a subsequent study, "Operation 500." By deploying 500 traffic officers onto six specified major accident routes, the department hoped to examine a sufficient number of different highways and staffing levels to make a reasonable projection of the accident rate that could be expected at a given level of staff. To date, however, the department has not completed either the "Operation 101" or "Operation 500" reports although the

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testing phase of the former was completed in 1964. The six "Operation 500" studies were scheduled to be completed in October 1968, but only preliminary findings have been published to date and the results of these are inconclusive. The only consistent finding we have observed is that there is a direct relationship between the intensity of rainfall and the occurrence of accidents. We feel that the department's ability to successfully determine what is an adequate level of staffing is heavily dependent upon the completion of these important studies, at least as a first step.

Departmental Programs

The department is presently allocating personnel into six programs to provide, in the future, a basis for determining whether additional increments of manpower will be necessary. The first program, traffic supervision and services on the state highway system, is divided into two elements. Element A, surveillance and services, is concerned with the prevention of stoppages on high volume roadways and Element B is accident control.

The second program, accident control on the county road system has also been broken into two elements. The first is accident prevention on high volume county roadways. The second element is the deployment of men to locations on low volume roads with high accident frequencies or in response to calls for service.

The third program is the inspection of passenger and commercial vehicles. The fourth program, "records", includes the department's data processing section. We will comment further on this program later in the analysis of this item. "Auto theft" and "administrative support" are the two remaining programs.

Allocation of Personnel

The assignment of personnel to the records and administrative support programs is based primarily on workloads generated by the traffic officers in the field. The traffic officers in the field are assigned to the programs of traffic supervision and services on the state highways, accident control on the county roads, and the inspection of passenger and commercial vehicles, according to deployment formulas. While the formulas may be useful for determining which programs to put men into, they are apparently not particularly useful in deciding how many men should go into each. The department has assumed that the 2,456 traffic officers on road patrol duty prior to the adoption of Chapter 2031 can be established as a basic staff level required for Element A of program 1, providing service on and surveillance of the state highway system. This level has been adjusted to reflect the demands for service created by additional roadway mileage in the state highway system and additional vehicle miles driven. In the budget year, 3,035 traffic officers will be assigned to this program element.

Traffic officers are assigned to the regulation and inspection program according to the relationship of the number of inspections that must be performed to the time required to perform each. For example, the number of personnel assigned to inspect trucks at a commercial vehicle

California Highway Patrol—Continued

inspection station is the product of the number of trucks requiring inspection multiplied by a predetermined amount of time required to inspect each. In the 1970-71 fiscal year, 586 traffic officers will be allocated to the total program.

In the 1970-71 fiscal year, 3,778 of the 4,932 budgeted traffic officer positions will be assigned to surveillance on the state highway system, regulation and inspection, auto theft or administrative support. The remaining 1,154 traffic officers will be assigned to the control of accidents on either the state highway system or county roads. The number assigned to either road system is in proportion to the reportable accidents which occurred on each. On the state highway system, there were 31,570 fatal and injury accidents in 1968 or 52 percent of all reportable accidents that occurred on roads within the department's jurisdiction. Therefore, of the 1,154 traffic officers assigned for accident control, 52 percent or 600 would ordinarily be allocated to the state highway system, and the remaining 554 or 48 percent assigned to accident control on the county roads. However, the department has indicated that the level of staffing in the program to control accidents on the county roads will be reduced to 513 or 45 percent of the 1,154 traffic officers allocated in order to provide men for the takeover of the freeways in Los Angeles and San Diego. It should be recognized, however, that the 513 officers represent the total Highway Patrol effort on the county roads, whereas on the state highways there would be 641 for accident control plus regular patrol of 3,035, making a total of 3,676.

Allocation of Traffic Officers to Area Offices

The department allocates traffic officers to the area commands by employing the same formulas used to distribute men in the programs of traffic supervision on the state highway system and accident control on the county roads. The number of men the area commander receives for service and surveillance on the state highway system is based on the proportion of roadway and vehicle miles driven in each area, modified to account for four classifications of roadway conditions; free flow, light congestions, restrictive flow, and nonfree flow. The allocation of men for accident control is normally according to the proportion of accidents on the state highways and county roads within each area. As indicated earlier, the deployment of traffic officers for accident control on the county roads has been reduced.

Traffic Officer Deployment onto the Highways

The decision regarding the ultimate deployment of the officer on the highway system rests with the area commander. In deploying the men under his supervision, he does not utilize the formulas devised by headquarters in making his manpower assignments. The traffic officers are deployed according to the frequency of accidents on each highway section. Needs for congestion relief and service will sometimes alter this basis for deployment. Therefore, at the present, the department is unable to determine the number of man-years actually spent in the programs of traffic supervision on the state highway system and acci-

California Highway Patrol—Continued

dent control on the county roads or the amount of expenditures on each. The number of personnel the department indicates is being assigned to both programs is only reflective of how the traffic officers are allocated to each area command to perform a stated function, not the number of hours actually spent on the highway in each program. The department is now in the process of developing a reporting system that will indicate the number of hours spent by each traffic officer in performance of his various duties in the field. This time will then be allocated to either traffic supervision on the state highway system or accident control on the county roads. However, until this system is fully operational or until "Operations 101 and 500" are completed, measurements of performance in accident reduction and highway services will not be possible.

State Highways Versus County Roads

The department in the budget year will allocate to the areas, for distribution onto the county road system, only 513 or 12 percent of the 4,189 traffic officers available for road patrol. The county road system, however, experienced 28,645 fatal and injury accidents or 48 percent of all reportable accidents within the California Highway Patrol's jurisdiction in 1968. Further, although the total vehicle mileage on the county road system is about half that of the state highway system, it receives only one-ninth the manpower. We question the efficiency of a deployment formula that places an emphasis on one highway system without apparent logical justification. It is possible, according to the department's formulas for distributing traffic officers to the areas, for a commander with a large percentage of county roads in his jurisdiction to receive less than the proportional share of manpower which he needs based on traffic factors. The department has indicated that distribution of 3,035 traffic officers onto the state highway system for surveillance and services is based on the need to prevent stoppages on high volume state highways. However, there are also county roads with volumes equal to or greater than state highways which could, therefore, have needs identical to those of a similar state highway. We feel the surveillance requirements of a roadway system vary according to its accident rate, traffic volume, design, and condition. Therefore, we suggest that the department consider deployment of its men onto the state and county roadways according to each system's relative need, regardless of its designation.

ELECTRONIC DATA PROCESSING

The funding required to support electronic data processing for the California Highway Patrol is approximately \$1,629,812 for the fiscal year 1970-71. This represents a 0.8 percent decrease below the previous year's budget. The major programs which are supported by EDP are:

1. Traffic supervision and services on the state highway system
2. Selective deployment on the county road system
3. Regulation and inspection
4. Records
5. Auto theft

California Highway Patrol—Continued

The major factors which have increased demand on the EDP system are the uniformed personnel authorized by Chapter 2031, Statutes of 1965, and greater activity in the auto theft program (Auto-Status). The additional uniformed personnel with related equipment generates additional workload in the administrative data processing area and a substantial increase in vehicles stolen since 1967 creates a heavy demand on the Auto-Status system.

The California Highway Patrol currently operates two communication computers which support Auto-Status. A general purpose computer is used for administrative processing and for statistical manipulation of the data contained in the Auto-Status file. Currently, 260 terminals are connected to the Auto-Status system which can be characterized as an on-line and real-time system providing immediate response to law enforcement agencies who inquire as to the status of vehicles they suspect are stolen. CHP statistics indicate that 102,000 vehicles were stolen in 1968, which represented an increase of 23 percent over the number stolen in 1967. This increase in the data file, coupled with high utilization from law enforcement agencies throughout the state, has created a demand on the system with respect to the number of terminals and the ability to store the data. This demand will cause the present system to be overloaded by September 1970 to the point where it will not be able to function effectively according to the California Highway Patrol. Therefore, the department is currently considering an approach to alleviate this problem and we anticipate that a proposal will be submitted which will provide for upgrading of existing equipment by replacing all of the current models.

In considering the possible solutions to the problem of providing adequate service for both administrative programs and Auto-Status, we recommend that all alternatives be considered by the California Highway Patrol and the Office of Management Services before a decision is made to install new computers which are dedicated only to the California Highway Patrol. One alternative that should be given serious consideration is whether the continuation of Auto-Status as a separate system can be justified when the California Law Enforcement Telecommunication System becomes operational on April 1, 1970. The Supplementary Report of the Committee on Conference of the 1969 Legislature relating to the Budget Bill stated that the Legislature recognized the substantial investment in a communication system for law enforcement which will cost \$2,310,364 in fiscal year 1969-70 and will utilize four electronic computers. The California Highway Patrol and the Department of Motor Vehicles should therefore utilize the CLETS network rather than develop separate communication networks for their enforcement and administrative traffic according to the conference committee report.

In addition to the message-switching function of the CLETS equipment, it is possible in our judgment to utilize a back-up CLETS computer to store the file of data on stolen autos and to receive the inquiries relative to this file. Therefore, we recommend that this alternative be carefully considered. Given satisfactory service to the Auto-Status

California Highway Patrol—Continued

system by CLETS, it appears that it would also be possible to use the large-scale computer system installed in the Department of Motor Vehicles or any other general purpose computer to process the administrative workload for the California Highway Patrol. A complete analysis of these alternatives by CHP and the Office of Management Services should be proposed before additional EDP equipment is requested.

Department of the California Highway Patrol

VEHICLE EQUIPMENT SAFETY COMMISSION

Item 232 from the Motor Vehicle
Transportation Tax Fund

Budget page 1222

Requested 1970-71 -----	\$8,835
Estimated 1969-70 -----	8,835
Actual 1968-69 -----	8,711
Requested increase—None	
Total recommended reduction -----	\$8,835

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

As the state's representative to the Vehicle Equipment Safety Commission, the Commissioner of the California Highway Patrol has expressed continued doubt regarding the effectiveness of the commission because federal legislation has preempted the commission in the establishment of uniform equipment standards. We share the commissioner's misgivings and recommend this item be deleted.

GENERAL PROGRAM STATEMENT

The Vehicle Equipment Safety Commission is an interstate agency composed of one representative from each state that is signatory to the Vehicle Equipment Safety Compact. The California Legislature adopted this compact by Chapter 238, Statutes of 1963, which designates the administrator of Transportation Agency or an alternate selected by him as the California representative. The administrator has delegated responsibility in this field to the Commissioner of the California Highway Patrol.

The objectives of the commission are to promote uniformity in regulation and standards for equipment on motor vehicles and to achieve desirable changes in equipment in the interests of traffic safety. One-third of the commission's expenses is appropriated in equal shares among the member states and the remaining two-thirds in proportion to the number of motor vehicles registered in each party state.

ANALYSIS AND RECOMMENDATIONS

The amount requested for the budget year is the same as the estimated expenditures for the current year, \$8,835. The accomplishments of the commission have been insignificant to date. We noted in our 1969

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Analysis of the Budget Bill that the future role of the commission in formulating and implementing vehicle equipment standards was uncertain because of the passage of the federal Vehicle Equipment Safety Act of 1966 which largely preempts the field of vehicle equipment regulation. We also noted that the commissioner had expressed misgivings in a letter to the Director of Finance as to the value of continuing the activities of the commission because of its ineffectiveness, but wished to reserve judgment on continued participation in the commission's activities pending the completion of a study committee's report on the commission's organizational procedures and problems. The commissioner further indicated that the state should be prepared to withdraw from the compact, if by the 1969 annual meeting, the report of the study committee was not available and acted upon.

In a letter to Mr. Lyle C. Kyle, Director of the Colorado Legislative Council, dated January 13, 1970, the commissioner indicated that the study committee's report had not been presented at the 1969 annual meeting and expressed further doubt as to the desirability of continued participation in the commission. Based on the commissioner's own continued skepticism regarding the commission's usefulness and because of a lack of supporting data identifying any meaningful accomplishments to date on the part of the commission, we recommend deletion of the item.

**DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL
DEFICIENCY PAYMENT**

Item 233 from the Motor Vehicle Fund

Budget page 1200

Requested 1970-71	\$500,000
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

The Department of the California Highway Patrol receives its support from the Motor Vehicle Fund. Section 42272 of the Vehicle Code prohibits the creation of deficiency payments in support of this department and it cannot obtain aid from the Emergency Fund. The Legislature realized that emergencies could occur in a department of this size, and beginning with the Budget Act of 1957 has provided an annual amount for the purpose of funding anticipated contingencies involving purchase and operation of patrol vehicles.

The \$500,000 requested for the 1970-71 fiscal year is twice the amount provided in the current year. The amount authorized for deficiency payments has remained at the \$250,000 level since the Budget Act of 1963. However, because of the increased number of vehicles that must be purchased and because of rising vehicle equipment and operating costs, the department has requested an additional \$250,000 to reflect the level of expenditures that can be expected in the event the need arises. *We recommend approval.*

DEPARTMENT OF MOTOR VEHICLES

Items 234, 235 and 236 from the Motor Vehicle Fund, Motor Vehicle License Fee Fund, and the Harbors and Watercraft Revolving Fund

Budget page 1223

Requested 1970-71	\$64,562,780
Estimated 1969-70	64,426,747
Actual 1968-69	59,497,332
Requested increase \$136,033 (0.02 percent)	
Total recommended reduction	\$8,857,223

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

1. We recommend that the price for vehicle registration information be raised from \$7 per thousand to \$25 per thousand and the budget be reduced \$857,268.

2. The charge for individual items of vehicle registration information be raised to \$1 and the budget reduced by \$86,710.

3. The driver improvement programs be discontinued, the budget reduced \$4,047,601 and the man-year allocation reduced 405.2 man years.

4. The price per item for driver's license information be raised to \$1 and the budget reduced by \$3,832,200.

5. The price per item for financial responsibility information be raised to \$1 and the budget reduced by \$33,444.

6. The Department of Motor Vehicles conduct a survey of states with EDP systems to determine the potential utilization of the computer to provide service to field office operations.

GENERAL PROGRAM STATEMENT

The Department of Motor Vehicles is part of the Business Transportation Agency along with the Department of Public Works and the California Highway Patrol which, together, facilitate a cooperative approach to the development of a safe and effective highway system. The department's objectives are to: (1) identify ownership of vehicles through registration, (2) promote highway safety through the licensing and control of drivers, (3) protect the public through licensing and regulation of occupations and businesses related to the manufacturing, sale, transporting or disposal of vehicles, and (4) promote financial security following accidents. Programs designed to achieve these objectives are (1) vehicle licensing and titling, (2) driver licensing and control, (3) occupational licensing and control, (4) security following accidents, (5) Department of Motor Vehicles Associated Services and (6) administration.

ANALYSIS AND RECOMMENDATIONS

VEHICLE LICENSING AND TITLING

The purpose of this program is to register vehicles, collect fees and record vehicle transactions. Program elements include: (1) vehicle

Department of Motor Vehicles—Continued

ownership, registration documentations and certificate issuance, (2) vehicle fee collection, (3) vehicle record and file maintenance, (4) vehicle information and sale of records and (5) use tax computation and collection.

The department requests \$32,404,164 for the program for fiscal year 1970-71, an increase of \$1,517,873 over the current year. The increase is attributed to wage and salary increases and increased operating expense. The requested man-year allocation is 2,915.1, a 3.3 man-year reduction from the current authorized level. The department estimates that it will register approximately 13,776,000 vehicles, a 3.2 percent increase over the current year, and will collect approximately \$265,931,000 in fees; an increase of \$10,827,000. Program elements about which we have questions are discussed below.

Vehicle Information and Sale of Records

We recommend that the department raise the price for vehicle registration information from \$7 per thousand to \$25 per thousand and that the budget be reduced by \$857,268 to reflect the increased revenue.

The department for several years has provided, (1) vehicle registration, (2) driver's license and (3) financial responsibility information to both governmental and nongovernmental entities. The information falls into two categories; information in bulk and individual information item requests regarding a specific driver or vehicle.

Bulk Sale of Vehicle Registration Information

Table 1 indicates the volume of information provided, both fee and gratis.

Table 1
Vehicle Registration Information Sales

	Actual 1968-69	Estimate 1969-70	Estimate 1970-71
Individual requests			
Fee requests -----	331,112	327,500	333,500
No fee requests -----	592,057	611,200	632,600
Total -----	923,169	938,700	966,100
Bulk sales -----	44,459,170	46,015,200	47,625,800

The gratis requests are by governmental agencies.

As Table 1 indicates, during fiscal year 1968-69, the department sold 44,459,170 items in bulk from the registration files. It transferred the information from its EDP system to magnetic tape at a charge sufficient only to cover the direct costs (\$1 per thousand). Information included name, make, year and model of every registered vehicle. The department does not regulate the use of the mailing lists developed from vehicle registration information. The lists may be used for any purpose, may be resold to any person or company and the department does not require copies of material mailed to addresses provided by the motor vehicle records as it did historically when such addresses were provided from the driver's license file.

There are serious questions regarding the wisdom of selling bulk registration information. By providing the names and addresses of millions of Californians the state greatly contributes to the increasing

Department of Motor Vehicles—Continued

amounts of unsolicited "junk" mail now being dumped upon them. For this reason we believe the Legislature should give serious consideration to the discontinuance of these bulk sales as a matter of public policy. At the present session, two bills, SB 11 and SB 44 have been introduced with respect to this issue.

If the state is to continue the sale of bulk registration information, we recommend that the price per thousand be raised from \$7 to \$25. The department has recently taken the position that it properly ought to realize some profit from the sale of its records and accordingly raised the price from \$1 to \$7 per thousand. Prior to this action, the department investigated the charges levied for similar information by other states. The average charge of those states which sell information is \$8.50 per thousand and the charge by state ranges from 47 cents to \$25 per thousand. New York, the state most similar to California in terms of population and vehicle registration, charges \$25 per thousand. New York, however, has a monopolistic arrangement by which it sells its records to one company only, which in turn sells to various customers. We do not believe the monopoly is necessary since we believe even the \$25 is low enough to attract multiple buyers. Table 2 projects the additional potential revenues if the charge per thousand is increased to various levels based on the 1970-71 estimated volume of 47,625,800 items.

Table 2
Current and Projected Revenue for Bulk Sale of
Vehicle Registration Information

<i>Fee per thousand</i>	<i>Total department cost</i>	<i>Total fees</i>	<i>Total net gain</i>
\$7	\$61,437	\$333,382	\$271,945
10	61,437	476,260	414,823
15	61,437	714,390	652,953
20	61,437	952,520	891,083
25	61,437	1,190,650	1,129,213

The Department of Motor Vehicles is in the process of spending approximately \$110 million for one of the most advanced EDP systems in the world. It can provide more information faster and more economically than any other state motor vehicle department in the country. The department provides far more information than any other state motor vehicle department and the information is in a much more usable form. We believe that the sale of information should help amortize the cost of automation and that the state is justified in charging these profitmaking organizations \$25 per thousand.

Sale of Individual Items from the Registration Files

We recommend that the department increase the charge per individual items of vehicle registration information to \$1 and that the budget be reduced by \$87,710 to reflect the increased revenue.

At the present time, the department sells three types of information (1) vehicle registration, (2) driver's license and (3) financial responsibility, of which only the sale of driver's license information produces profit. The sale of vehicle registration and financial responsibility

Department of Motor Vehicles—Continued

information does not produce enough revenue to offset the cost of producing it so that in effect, the purchasers of driver's license information subsidize the purchases of vehicle registration and financial responsibility information.

The department estimates that it will sell approximately 333,500 individual items of vehicle registration information. The cost per item to the department for providing this information is 74 cents, but it charges only 40 cents per item, for a total estimated loss in fiscal year 1970-71 of \$113,390. Present law provides that the Department of Motor Vehicles may levy a sufficient charge to offset the cost of information. The department has interpreted this to mean that as long as the entire program is creating revenue, each individual program need not be self-supporting.

We believe that the present rate for vehicle registration information should be increased for two reasons. First, we believe that the purchasers of driver's license information should not be required to subsidize those who obtain vehicle registration information. Second, we believe that since the department has begun a policy of raising the fees for information in order to increase revenue, it should increase all fees, including the fee for individual items of vehicle registration information. In almost every instance those who purchase information from the motor vehicle files, do so because they intend to utilize that information for commercial gain. We, therefore, see no reason why the department should not raise the fee at least to a level that will cover cost. If the fees were increased to \$1 per item, the net gain for the estimated sales in fiscal year 1970-71 would be \$86,710.

Sale of Information to Private Research Companies

At the present time, there are 11 private research companies located in the Department of Motor Vehicles Building in Sacramento. These companies maintain staffs which have free access to the vehicle registration records and can obtain driver's license information for 40 cents per item. They in turn sell this information for approximately \$2 per item. The department theoretically charges these companies for the space they occupy but does not charge a sufficient amount to offset even the cost of the space they rent. The department estimates that the cost for the space is 35 cents per square foot per month, but charges the private research companies only 34 cents per square foot per month.

The department has only a limited amount of floor space available which has been filled to capacity for a number of years. However, the department has no system whereby available floor space is allocated on a competitive basis. These companies provide information to various collection agencies, retail stores and other types of businesses located throughout the state. One of the major problems is the fact that many of the people who deal with these private research companies are under the impression that they are dealing with the Department of Motor Vehicles. In fact, the Department of Motor Vehicles exercises virtually no control over the activities of these research companies.

Department of Motor Vehicles—Continued

We believe there are two alternatives which the state should consider. First, the department could close its files to outside companies and provide information only at a specified charge.

The second alternative would be for the department to lease the space in its building on a competitive basis with the bids beginning at a sufficient level to generate significant revenue for the department. We do not believe any private company should have access to the files free of charge.

DRIVER LICENSING AND CONTROL

The purpose of this program is to license drivers and to promote highway safety by identifying and controlling those drivers who are defined as unsafe. Program elements include, (1) driver's license issuance, (2) postlicensing control, (3) certificate issuance, and (4) information services. The department requests \$29,634,371 for the next fiscal year for this program, \$1,447,160 less than the estimated expenditure for fiscal year 1969-70. The reduction is primarily attributed to the reduced manpower requirement. The requested man-year allocation is 2,661.6 man-years, a reduction of 474.4 man-years from the currently authorized level. This is largely attributed to increased automation of the driver's license file.

Postlicensing Control

We recommend that the discretionary driver improvement programs be discontinued, that the budget be reduced by \$4,047,601 and the man-year allocation be reduced by 405.2 man-years.

The objective of the postlicensing control program is to promote highway safety by identifying and controlling drivers who do not maintain the required standard for safe driving. This element has two parts, that which is mandatory and that which is discretionary. The Vehicle Code requires mandatory actions against drivers convicted of certain major violations such as hit and run, drunk driving, narcotic offenses and manslaughter. The same provisions apply to drivers who fail to satisfy judgments rendered against them as a result of traffic accidents. The customary action is revocation of the driver's license.

The department also has a discretionary program whereby those persons who are classified as negligent drivers by their convictions and/or accident rates are brought into a driver improvement program where an effort is made to change their driving habits.

During the past year, the department has released a study which evaluated various types of driver improvement programs in an attempt to determine which type was most effective in reducing accidents. These programs included various types of group meetings as well as individual meetings. The study concluded that of the methods tested, only "group educational meetings (GEM)" had any downward effect upon the male negligent driver's accident rate, while four programs had some effect upon female negligent drivers. The study concluded that the best program for negligent drivers would be for the male drivers to be subjected to group educational meetings while women should attend one of two types of individual hearings. The report recognized

Department of Motor Vehicles—Continued

that different programs for males and females might not be acceptable and since the number of negligent female drivers is small, suggested that group educational meetings would be acceptable for both. The department has apparently accepted this recommendation and is expanding the group education meetings.

The department is requesting \$11,473,710 for its postlicensing control element, \$4,257,918 for its mandatory activity and \$7,215,792 for the discretionary.

We have serious questions regarding the effectiveness of the entire driver improvement program, particularly the discretionary portion. We question whether enough of the driving population obtain enough benefit from the program to warrant an expenditure at this level. The department informs us that those individuals who are considered negligent drivers constitute 1 percent of the driving population and are responsible for 2 percent of the accidents occurring each year. The number of those affected by the program is further reduced since the study indicates that only one-half of those scheduled for group meetings actually attend. Since the department is shifting the program to group meetings presumably the percentage of those affected by the program will be reduced to one-half of 1 percent of the total drivers. The study also indicated that the accident rate of those who attended group meetings was reduced by 2.2 per 100 accidents. Using this statistic, the program seems to be responsible for reducing the total annual accident rate by only slightly over .002 percent (2 hundredths of one percent).

We believe that in some respects the department's driver improvement program is worse than no program because it gives the impression that something is being done to reduce the accident rate when in fact very little is accomplished.

We suggest there are some alternatives to the existing program. At the present time the department sends a warning letter to any individual whose conviction rate indicates he or she is in danger of becoming a negligent driver. If the negligent behavior continues, the individual is then directed to the driver improvement program. An alternative procedure would be for the department to continue to issue the warning notice but to automatically suspend the license of any person who subsequently becomes negligent. The driver's record is approximately 85 percent automated and will be completely automated by December 1970. There would be relatively little effort required since the computer is already programmed to issue warning letters automatically and could easily be programmed to issue notices of suspension.

We believe that the thrust of the postlicensing control programs should be toward establishing an effective system of notification to judges of the traffic record of all offenders in order that the judicial assessment of punishment may be based on the offender's record. This fact is not now generally in the record submitted to the judge.

We have been unable to pinpoint the exact cost of the discretionary phase of the control program. The department's accounting system is

Department of Motor Vehicles—Continued

still oriented to the old organizational structure rather than to specific programs. The department develops a line item budget first and then simply allocates the amount available to the various program elements. The same is true with the manpower allocation. Specific programs are allotted a given number of man-years but the department is unable to determine the categories of the positions within the programs.

The department has estimated, however, that the approximate cost of the discretionary phase is \$7,215,792 of which \$3,128,996 represents nonreducible costs such as EDP equipment, rent and pro rata administrative charges. The total reducible amount is therefore \$4,047,601. The personnel allocation which could be reduced if the driver improvement program is terminated is approximately 405.2 man-years.

Information Services—Sale of Individual Items—Drivers' License

We recommend the price per item for driver's license information be raised from 40 cents to \$1, and the budget be reduced by \$3,832,200 to reflect the additional revenue.

As we noted in our analysis of vehicle information and sale of records, the department has for a number of years provided information to private individuals and enterprises for a very low fee. Within the past year, considerable attention was given by the press to the sale of bulk driver's license information. In September 1969, two suits were filed in superior court charging the Department of Motor Vehicles with invasion of privacy for selling driver's license information. As a result of the controversy, the Governor ordered that as of October 31, 1969 the sale of bulk driver's license information be discontinued. The sale of individual items continues.

As we stated earlier, the sale of driver's license information is the only one which produces a net profit. The cost to the department for providing each item is 28 cents while the charge is 40 cents per item. In 1968-69 the department sold 6,139,343 items, in 1969-70 it will sell an estimated 6,262,000 and in 1970-71 a projected 6,387,000. The total estimated profit for this program is \$766,440.

Although we have stated that the purchasers of one type of motor vehicle information should not subsidize the users of other types, we are aware of the administrative difficulties in maintaining three price levels, (for driver's license, vehicle registration and financial responsibility). We believe that it is preferable for the price to be set at a level sufficient to pay for the costs of each program and at the same time to realize additional revenue to the transportation program. *We therefore recommend that the price per item for driver's license information be increased from 40 cents to \$1 and that the budget be reduced by \$3,832,200 to reflect the additional revenue.*

OCCUPATIONAL LICENSING AND REGULATION

The objective of this program is to regulate elements of the motor vehicle industry and is the law enforcement arm of the department. A New Car Dealer's Policy and Appeals Board was established in 1967 for the purpose of giving policy direction to the occupational licensing and regulation program with respect to supervision of new car

Department of Motor Vehicles—Continued

dealers and to provide an administrative appeals forum for the dealers. Program elements include, (1) occupational licensing, and (2) occupational regulation.

The department is requesting \$2,977,303 for fiscal year 1970-71, a decrease of \$101,081 from the estimated expenditure for the current year. The decreased cost is attributed to the reduced man-year requirement. The proposed man-year level is 215.1, a decrease of 26 man-years from the currently authorized level. This is the result of workload adjustments due to the simplification of certain procedures.

SECURITY FOLLOWING ACCIDENT LAW

The objective of this program is to determine that each driver and/or owner of a motor vehicle involved in a reportable accident demonstrates that he is not at fault or, if at fault, has the ability to satisfy any reasonable judgment for damages against him that may arise from the accident. The department is directed by law to remove from the highway those drivers and their vehicles who have not complied with the Security Following Accident Law.

The department is requesting \$3,293,712 for the next year which is a decrease of \$86,760 over the current estimated expenditure. The decrease is attributed to salary saving since the requested man-years allocation is 73.4 man years less than the currently authorized level.

The program has two elements, registration and driving privilege control, and information service.

Information Service—Sale of Individual Financial Responsibility Items

During the current year, the department will sell an estimated 54,320 items of financial responsibility information and estimates a volume of 55,740 items for the budget year. The cost to the department for each item is 55 cents. The deficit for fiscal year 1969-70 is estimated to be approximately \$8,148, and \$8,361 for the next fiscal year.

In line with our recommendations regarding the sale of vehicle registration and driver's license information, we recommend that the charge per item for financial responsibility information be increased from 40 cents to \$1 and that the budget be reduced by \$33,444 to reflect the increased revenue.

DEPARTMENT OF MOTOR VEHICLES ASSOCIATED SERVICES

The Legislature has directed the department to provide services not directly related to motor vehicles or driver licensing and control. These are the (1) issuance of identification cards, and (2) the registration and fee collection for undocumented vessels which constitute the elements of this program.

The department, upon application, issues photo identification cards to California residents, 18 or older. These cards are accepted by commercial and retail industries as official identification. It is estimated that approximately 55,800 cards will be issued during the next fiscal year.

The department, in conforming to the Governor's Reorganization No. 2, will assume all boat registration functions, authority and respon-

Department of Motor Vehicles—Continued

sibilities by March 1970. Prior to this time, the department acted as an authorized agent of the Department of Harbors and Watercraft to register vessels and collect fees. As a result of the new responsibility, the department's budget for this element has increased from \$196,040 in fiscal year 1969-70 to \$377,532 for fiscal year 1970-71.

DEPARTMENTAL ADMINISTRATION

The budget request for the administration program is \$3,741,897, a reduction of \$57,244 below the current expenditure. The undistributed administrative cost is \$197,805 with the remainder distributed among the five programs. The elements of the administrative program include the executive, program administration, legal services, fiscal and business management, personnel and training, operations and management analysis, and research and statistics.

Management Reporting and Control (MARC)

During fiscal year 1968-69, the department, in an effort to expand its work measurement program sufficiently to establish departmentwide work standards, hired a consultant firm and began the Management Reporting and Control Program (MARC). The program has been partly operational for nearly two years and will be fully operational by March 1970. The total cost of the program is \$536,431.37 which was budgeted from the savings realized from the implementation of the work standards program.

The savings to date resulting from the program are \$1,400,000 and the rate of savings is expected to be \$2,500,000 annually.

Automated Management Information System (AMIS)

The conversion of Department of Motor Vehicle files to a fully automated system was approved by the Legislature in 1965. The system was scheduled to be fully operational by the end of the 1969-70 fiscal year, at which time the original estimates projected that the cost of operating under the new system would be less than the cost of operating under the existing manual system. Because of problems in converting the various files, the operational date was rescheduled to July 1, 1971. This was necessary because the rate of conversion of the manual driver's license files was slower than had originally been estimated. The department now reports that the conversion problems have been overcome and the driver's license file is 85 percent complete. As a result of improved performance, the expected operational date of the entire system is now scheduled to be December 1, 1970.

The vehicle registration files have been fully converted during the past two years since the original vehicle registration system was processed on a second-generation computer utilizing magnetic tape.

The department estimates that by the end of fiscal year 1972-73, the cost of departmental operation will be less under AMIS than the projected costs under the prior methods of processing. Each year thereafter, savings will increase until the total cost of AMIS implementation will be recovered by 1978. Annual savings in excess of \$5 million will accrue for each year following 1978-79. Manpower requirements for the

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department will be significantly reduced following the implementation of AMIS and it is estimated that a cumulative reduction of more than 1,000 man-years will occur when compared to the projection for operating requirements without AMIS.

In our budget analysis for fiscal year 1969-70, we reported that the total projected cost of converting to AMIS was \$112,885,169. At that time the department reported that this amount was \$11,750,236 above the original estimates. We are now informed by the Department that this overrun estimate through 1974-75 has been revised as of November 28, 1969 and the current additional cost is estimated to be \$8,359,544.

The Major Mission of AMIS

As the title implies, AMIS was intended to be a total management information system for the Department of Motor Vehicles. The obvious first task of a system of this magnitude was to accomplish the conversion of the massive files which are a basic part of the Department of Motor Vehicles operation. These files contain the records of over 12,000,000 registered vehicles and 12,000,000 driver's licenses. Through the use of an on-line, real time computer system utilizing third-generation concepts and large random-access storage units, the information contained in these files is instantaneously available to the public, law enforcement, the courts and other qualified users of driver-control data. When the California Law Enforcement Telecommunication System (CLETS) is operational on April 1, 1970, the DMV computers will be available for a 24-hour, seven-day a week inquiry service and will provide instantaneous information to over 1,000 terminals in the CLETS network.

While there is no question that the AMIS system is providing a valuable service in the maintenance of driver and vehicle records and in the provision of information to law enforcement agencies, we believe that it is now proper for the department to begin determining the extent to which this system can assist in the operation of the 146 DMV field offices. Currently, seven of the large field offices have remote terminals connected to the AMIS system. In the original presentation of the AMIS program to the Legislature, one of the features discussed was the possibility of on-line issuance of drivers licenses. This instantaneous issuance of drivers licenses through a computer system was presented as a major improvement in service to the driving public. However, it appears that there is no advance planning toward the on-line issuance of drivers licenses in the field offices and the department has apparently not pursued this facet of the program as originally presented to the Legislature. We have received data from the department which indicates that such a project would exceed the cost of the present procedure. It is our understanding that a number of other states are experimenting with this application and have successfully issued replacement licenses and renewals, particularly in large population centers. We believe there are many aspects of the field office operations which could be improved through the use of remote terminals.

We therefore recommend that the Department of Motor Vehicles conduct a survey of comparable states with automated systems to determine the potential utilization of the computer to provide on-line issu-

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ance of drivers licenses or to provide other services to the field offices which could result in a reduction of personnel or a reduction in the number of paper transactions required in the processing of license or vehicle registration information. The results of this survey should be made available to the Joint Legislative Budget Committee by November 1, 1970.

AMIS Budget Request for 1970-71

The total budget request for the AMIS program was \$11,709,456 in 1969-70 and the proposed budget for 1970-71 is \$12,151,695. This increase of \$442,239 includes \$128,740 for the proposed installation of new Optical Character Recognition Equipment. Although this equipment was not considered as part of the original AMIS proposal, the cost of converting data to machine readable form for the Department of Motor Vehicles and for other large paper handling departments of the state government has risen dramatically and is a major factor in the total cost of automation. As we discuss under Item 36 of this analysis, the Office of Management Services is coordinating two experimental tests of Optical Character Recognition Equipment. This equipment has the ability to recognize and read typewritten characters on source documents, thereby eliminating the transcription or conversion of basic data to machine readable form. The Department of Motor Vehicles has numerous potential applications for this technique and we urge participation in the tests of OCR to be conducted in the next six months. Because of the potential for very large savings through the use of this technique, we suggest that the funds for OCR equipment be retained in the budget until completion of a study and test by DMV. Therefore, we recommend approval of the budget as proposed.

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FOR PAYMENT OF DEFICIENCIES IN APPROPRIATIONS

Item 237 from the Motor Vehicle Fund	Budget page 1223
Requested 1970-71 -----	\$250,000
Total recommended reduction -----	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Department of Motor Vehicles receives its support from special funds, and, therefore, it cannot obtain money from the Emergency Fund when a deficiency occurs in its appropriation. Because the department is prohibited by statute from creating a deficiency, the Legislature, since 1948, has provided an annual appropriation to cover any unforeseen circumstances which might occur. Payment for deficiencies may be authorized by the Director of Finance, with the consent of the Governor, pursuant to Section 1106 of the Government Code.