

Military Department—Continued

administration, planning and training to insure the continuance of this organization at its present and future strength. Further, we believe that, as a matter of policy, these personnel should be responsible to and under the direction of the officer with the re-assigned functions of the Co-ordinator, California National Guard Reserve, rather than the brigade commander.

With the exception of the reductions discussed above, we recommend approval of this item as budgeted.

DEPARTMENT OF MOTOR VEHICLES

ITEM 169 of the Budget Bill

Budget page 437

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

Amount requested	\$25,937,844
Contribution to State Employees' Retirement System	1,826,793
Total	\$27,764,677
Estimated to be expended in 1960-61 fiscal year	26,774,742
Increase (3.7 percent)	\$989,935

TOTAL RECOMMENDED REDUCTION

None

GENERAL SUMMARY

The Department of Motor Vehicles, a major fee collection, regulatory and public service agency is headquartered in Sacramento. It derives its authority primarily from the Motor Vehicle Code and is responsible for the performance of the following basic functions:

1. Registration and titling of vehicles.
2. Licensing and control of automobile dealers, salesmen, wreckers, manufacturers and transporters.
3. Examination for and issuance of operators (drivers) licenses.
4. Administration of post licensing control of operators and the driver improvement program.
5. Licensing and control of private driving schools and private driving school instructors.
6. Collection of fees primarily associated with 1, 2, and 3 above.
7. Administration of the Financial Responsibility Law in respect to motor vehicle accidents.
8. Maintenance of records required by law, principally those related to those functions enumerated above.
9. Investigation and enforcement of laws pertaining to the registration of vehicles and drivers licensing.
10. Registration and title service to small boat owners.

To perform these functions the department is organized into four divisions: Administration, Registration, Driver Licenses and Field Office Operation. The latter division is the one with which the public is most familiar as, through its 137 branch offices and 39 mobile branches established for their convenience, it provides the public with driver license examinations, registration, title application and transfer services. The documents related to these over-the-counter or public contacts are controlled and issued by the responsible division at headquarters.

Department of Motor Vehicles—Continued

During the current year the department estimates it will require 4,877.8 man-years of employment to perform its functions. Of this total 202.6 are temporary help and the major portion of the remainder, 4,673 are classified as permanent, which includes one-quarter- and one-half-time employees. In addition there are approximately 298 employees classified as "permanent-intermittent," this latter category of employee is used primarily in the field offices to handle daily and weekly periodic peak loads.

Through records the department maintains, information service is provided on vehicle title and registration as well as driver licenses to law enforcement agencies and to private service agencies.

ANALYSIS

The proposed total expenditures from the Motor Vehicle Fund for the fiscal year 1961-62, in the amount of \$27,764,677, which includes the contributions to the State Employees' Retirement Fund, represents an increase of 3.7 percent, or \$989,935, over the estimated expenditures from this fund during the current year.

Expenditures for the current year include an amount of \$177,792 from the department's contingent fund, a separately appropriated item from the Motor Vehicle Fund. This expenditure from the Contingent Fund was required to partially cover an estimated increase of \$195,355 in pro rata charges over the amount budgeted for these services.

No new positions are requested by this agency, although a constant overall growth factor in workload is predicted. This growth in the totals of registration transactions and the outstanding driver licenses is shown in the table below.

	<i>Estimated</i> 1959-60	<i>Estimated</i> 1960-61	<i>Estimated</i> 1961-62	<i>Estimated 1961-62</i> <i>increase/decrease</i> <i>over 1960-61</i> <i>percent</i>
Registration:				
New vehicles-----	875,000	853,000	815,000	-4.66
Nonresident -----	293,000	293,000	290,000	-1.03
Renewals -----	7,370,000	7,806,000	8,181,000	+4.80
Total registration --	8,538,000	8,952,000	9,286,000	+3.73
Related transactions----	2,499,000	2,620,000	2,794,000	+4.38
Total registration transactions ---	11,037,000	11,572,000	12,080,000	
Driver Licenses:	<i>Actual</i>			
Licenses issued -----	2,626,492	3,224,411	2,399,000	-25.6
Driver identification --	22,434,270	24,472,790	22,600,134	-7.65
Information service --	3,908,844	4,620,000	4,980,000	+7.79
Driver control actions	229,992	250,156	260,384	+4.08
Driver improvement actions -----	175,582	190,984	198,785	+4.08
Total driver licenses transactions ---	29,375,180	32,758,341	28,039,303	-14.4
Total outstanding driver licenses (estimated)	1960	1961	1962	
June 30 -----	7,919,269	8,072,245	8,407,166	+4.08

Department of Motor Vehicles—Continued

We are advised that the noticeable drop in registration of new vehicles and registration of nonresident vehicles is based upon estimates of new car sales and trends in movement of immigrants to California derived from analysis of numerous contributing factors by the Financial Research Section of the Department of Finance.

The department has indicated that the 25.6 percent drop in licenses issued is the direct result of the change in the Vehicle Code on terms of driver licenses. Licenses formerly issued for a four-year period will be phased out completely during fiscal year 1960-61 and the first 2½ months of fiscal year 1961-62. This then accounts for the peaking of issuances during fiscal year 1960-61 and the drop the following year.

A total of 24.2 positions were established during the current year and are carried forward through this budget year. All of these positions were established on a workload basis and are financed by the reimbursable services they render in connection with driver's license information requests.

As a matter of policy we believe these positions should appear as proposed new positions in the budget request and reviewed by the Legislature on that basis.

This agency is supported by funds received from four sources. The major share of the expenditures are borne by the item under discussion, the Motor Vehicle Fund, which provides 77.6 percent for support other than retirement and 5.4 percent for retirement in fiscal year 1961-62. The remaining three sources and percentages for fiscal year 1961-62 are: reimbursements from private sources, 3.4 percent; Motor Vehicle License Fee Fund, 12.9 percent; and the General Fund, 0.7 percent. The latter two appear as separate budget items and their analysis appears in the next succeeding items. The total support expenditures from all sources proposed in the budget under consideration is \$33,427,025. As all of the latter three sources of funds discussed above are considered as reimbursements for services performed, the department has historically spoken of the single item under the Motor Vehicle Fund as its single operating costs.

The amount of the support expenditures chargeable to the Motor Vehicle Fund is arrived at as follows:

Total operating costs-----	\$33,427,025
Less reimbursements:	
Registration lists-----	\$151,000
Driver license information-----	964,000
Services to other agencies-----	10,000
Rentals to other agencies-----	2,880
	<hr/>
	—\$1,127,880
Motor Vehicle License Fee Fund (appropriated)-----	—4,304,651
General Fund (appropriated)-----	—229,817
Less continuing appropriation for State Employees'	
Retirement Fund—from the Motor Vehicle Fund-----	—1,826,793
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Amount requested Motor Vehicle Fund fiscal year 1961-62----	\$25,937,844

Department of Motor Vehicles—Continued

Division of Departmental Administration

The request for support of this division's operation is 4.4 percent, or \$98,054, greater than the amount estimated for the current year. There are increases in each of the three objects of expenditure. The increase of \$27,034 in salaries and wages is due primarily to merit increases for the staff of 241.3. We note, however, the staff was increased by some 16.4 positions during the current year. This gain was the principal result of an interdivisional transfer of the duplicating activity or function from the Division of Driver Licenses to the Division of Departmental Administration. We approve of this shift as it is in keeping with good management procedures. In connection with this shift, one Information Officer I has been reclassified as an Office Manager and assigned responsibilities in connection with the duplicating section.

The increase of \$60,930 in operating expenses of the division over the current year expenditure is primarily caused by the increase in printing costs of \$72,375 which in turn is due for the most part to the statutory requirement that the department publish and distribute, free of charge, the complete text of the California Vehicle Code together with other laws relating to the use of highways or the operation of motor vehicles, at least once every two years.

We recommend that consideration be given to amending Section 1656(a) of the Vehicle Code to provide for sale of the Vehicle Code at a cost to permit recovery of all expenses associated with its compilation, printing and distribution.

Equipment purchases show an increase of \$10,090 which results primarily from the replacement of a larger number of agency-owned vehicles than in the current year.

Division of Registration

This division's budget request has increased 2.8 percent, or \$271,162, over its estimated expenditures for the current year.

The greater portion of this increase is due to merit increases for the staff of 1,561.6. During the current year 2 positions have been added to the staff on a workload basis, 1 technician-clerk in General Administration and 1 staff assistant in Automation for evaluation of the Division of Driver Licenses in connection with driver's license information services. We concur in the continuation of these positions. Other shifts of category noted are reducing temporary help by 8 and increasing permanent technicians and clerk staff by 8.

The increase in operating expense for this division is \$103,863 due in large measure to increases necessary for the purchase of license plates and tabs.

Equipment requirements are down approximately \$20,366 under the amount estimated as necessary for the current year.

Since early 1957 the department has been investigating, planning and determining its requirements for electronic data processing equipment to handle the ever-increasing registration problem. At present it is handled by machine from punched cards. In early 1960 bid specifications were released to be returned in August 1960. Five firms sub-

Department of Motor Vehicles—Continued

mitted bids. These bids range from \$759,625 to \$2,738,000 for outright purchases to \$23,700 to \$69,000 for average monthly rental. The new system will provide, among other things, for the storage of registration information on magnetic tape at a great savings of space. The principal gain, however, is the random access capability by which accurate and complete registration information is available.

Since August the departmental team called ADEPT (Automatic Data Electronic Programing Team) has been studying each of the bids or proposals in an effort to determine the most acceptable system in terms of flexibility of the system, cost, etc. A decision and recommendation in this regard will be made to the director in early 1961.

We recommend that this decision be reached at the earliest time and that the director, within reasonable time thereafter, enter into a contract with the successful vendor. The importance of promptness lies in the fact that after the execution of such a contract an inherent time lag of 18 to 24 months will follow for manufacturing the equipment, its installation and the training of personnel. We are convinced that this function of the department has reached a critical stage in its present methods of handling the annual registration potentials and must, for reasons of cost, space, and time, convert to taped storage of registration records.

Reimbursements for the sale of registration lists are carried forward at the same amount as estimated for the current year.

Division of Driver Licenses

This division's budget is presented in two parts, the larger portion being devoted to the driver licensing program and post licensing controls, the smaller part being concerned with the administration of the financial responsibility laws.

The expenditures proposed to support the division's program related to driver licensing is 5.8 percent or \$267,957 above the amount estimated for its support during the current year.

Increases in salaries and wages amounted to \$104,955 for the staff of 1,041.7. This increase is primarily the result of merit increases combined with the salaries of the 6.5 positions gained over those originally budgeted for during the current year.

This division shows a gain of 21.5 positions in the current year's operation over those originally budgeted. A total of 31 junior clerk positions were established during the current year. Of these, 16 were required to process the volume of increased driver license information requests from law enforcement and private firms. The remainder of 15 positions were required to purge driver record files. In addition 6.5 technician-clerk positions were established in the Driver Improvement Section on a workload basis. We approve the establishment of these additional positions as necessary to handle unpredictable increases in workload and to purge useless information from the driver license files.

Sixteen positions associated with the duplicating activity were transferred to the Departmental Administration Division together with the

Department of Motor Vehicles—Continued

function. Authority for the 15 positions established to purge the driver license files expires June 30, 1961 and they will be abolished.

Therefore, the budget under consideration carries forward the 16 man-years of employment in driver license information and 6.5 in the Driver Improvement Section added during the current year.

Operating expenses are up \$110,617 over the current year due to the higher costs predicted for placing operators' photographs on driver licenses. The current vendor's contract for this service at .0449 cents per photograph expires in October 1961. It is understood that a new contract for this service will, in all likelihood, be at a substantially higher cost. Current discussions indicate the cost per photograph will jump to 20-25 cents each. These predicted increases are based on the State of Colorado's current contract for similar service.

Equipment requirements show a very modest increase of \$545 and reimbursements are budgeted at approximately \$52,000 less than in the current year.

Financial Responsibility Branch

This branch of the Division of Driver Licenses has increased its expenditures over the current year by 2.8 percent, or \$23,035. There is no increase of positions requested for this branch. In fact one position was abolished or reassigned. Increases in salaries and wages due to merit increases account for \$18,844, the remainder is made up of increased postage costs. Lastly, equipment requirements are \$1,146 over the estimate for the current year expenditures for this object.

Division of Field Operations

This division's proposed expenditures are 4 percent, or \$416,250, above the estimated expenditures for the current year. There is no increase in total personnel over the current year and despite shifts within the division, the staff remains at approximately 1,913. Over 50 percent of the increase is due to merit increases for the total staff and the reclassification of six positions as field representatives. Operating expenses are up \$7,505 due almost entirely to increases in telephone exchange charges and postage.

Equipment requirements increased by \$147,685 and is due to the austere replacement program of the department during the current year which deferred their needs until this time.

Land and Buildings

The purpose of this budgetary presentation is to set forth expenditures necessary for maintenance, operation and repair of all the office buildings owned or leased by the department.

No salaries and wages costs are shown as funds required are for payment of services received. This item of the department's budget has increased by 2 percent, or \$35,925, over estimates for expenditure during the current year. This increase is due almost entirely to increases in rental costs. Reimbursements for rental of space to departmental owned buildings increased by \$540.

Subject to the recommendation that positions established during the current year without prior review by the Legislature be shown as proposed new positions, we recommend approval of this item as budgeted.

DEPARTMENT OF MOTOR VEHICLES

ITEM 170 of the Budget Bill

Budget page 442

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

Amount requested	\$4,304,651
Estimated to be expended in 1960-61 fiscal year	4,134,074

Increase (4.1 percent)	\$170,577
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TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

This annual appropriation from the Motor Vehicle License Fee Fund is made by the Legislature to cover expenditures of the Department of Motor Vehicles related to the enforcement of the Vehicle License Fee Law (Sections 10007-11005.5 of the Revenue and Taxation Code). These duties generally relate to the computation of fees, collection and refunds of fees and seizure for sale of vehicles on which fees are delinquent. The vehicle license fees are imposed in lieu of all taxes according to value levied for state or local purposes on vehicles of a type subject to registration under the Vehicle Code whether or not the vehicles are registered under the Vehicle Code.

We recommend approval of this item as budgeted.

DEPARTMENT OF MOTOR VEHICLES

ITEM 171 of the Budget Bill

Budget page 437

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

Amount requested	\$229,817
Estimated to be expended in 1960-61 fiscal year	231,919

Decrease (0.9 percent)	\$2,102
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TOTAL RECOMMENDED REDUCTION	\$106,409
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ANALYSIS

The Legislature makes this annual appropriation from the General Fund to reimburse the Department of Motor Vehicles for services performed in respect to the Aid to Needy Children Program and the Small Boat Registration Program. As expenditures from the Motor Vehicle Fund are limited as to purpose by statute, costs of these services must be reimbursed from other sources. The services in the first instance are providing information to the Department of Justice from departmental records to assist counties in locating absent fathers. The amount necessary to support this activity is \$18,000. In the case of the Small Boat Registration Program the services rendered are those of registration, collection of fees, providing certificates of ownership and number to the owner and providing county assessors with information on ownership of small boats. The balance, or \$211,817 is requested to support this activity.

This portion of the Small Boat Registration Program can be termed as self-supporting for the fiscal year 1959-60 (three months only). Expenditures for that year by the Department of Motor Vehicles for this

Department of Motor Vehicles—Continued

service were \$251,223 and fees collected and deposited in the General Fund amounted to \$1,040,030. It should be pointed out this collection took place in the initial registration period and only new boat registrations, changes of registration and furnishing duplicate certificates will provide revenues during fiscal year 1960-61 and 1961-62. Re-registration will not occur until the last quarter of fiscal year 1962-63.

Reduction

During initial boat registration period (March 1-June 30, 1960) the Department of Motor Vehicles completed a total of 210,914 registration-transactions. These transactions produced revenue for the General Fund in the amount of \$1,040,030 and of that amount \$251,233 was reimbursed to the department for the services rendered, or for each transaction the department received approximately \$1.20.

During the first six months of fiscal year 1960-61 the department has had the following experience.

Initial registration -----	21,813
Duplicates -----	2,272
Transfers -----	13,347
Total transactions -----	37,432

Revenues to the General Fund for these transactions amounted to \$153,918.50.

Assuming the second six months of fiscal year 1960-61 produces an equal number of transactions, plus an additional number of delayed original registrations estimated at 90,000, the total transactions for the entire year would be approximately 165,000 transactions and at a cost of \$1.20, plus 7 percent, or 1.28, to cover cost increases during this period, the department would be reimbursed in the amount of \$211,200. This would indicate a small surplus of approximately \$2,719 remaining at the end of the current year.

In the budget under consideration this is not the case. This is due primarily to the fact that exactly the same criteria on cost factors and numbers of transactions used for the current year were carried forward and used for the budget year. The six months experience figures gained in the first half of the current year does not support a reimbursement of \$211,817 for this service during the budget year.

Doubling the transactions for the six months figure and adding an additional 7,486 transactions (10 percent) for unanticipated registrations, duplicates or transfers and using this total transaction figure of 82,350 as the estimated workload for fiscal year 1961-62 would, using a reimbursement figure of \$1.28 per transaction, indicate that adequate reimbursement for these services for fiscal year 1961-62 should be approximately \$105,408.

Therefore, we recommend that \$106,409 of the requested support for the Small Boat Registration Program be deleted from this item.

Department of Motor Vehicles

DEFICIENCY PAYMENTS

ITEM 172 of the Budget Bill

FOR PAYMENTS OF DEFICIENCIES IN APPROPRIATIONS FOR THE
DEPARTMENT OF MOTOR VEHICLES, FROM THE
MOTOR VEHICLE FUND

Amount requested	\$500,000
Amount allocated to date for 1960-61 fiscal year	177,792

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

This annual appropriation was established by the Legislature in the fiscal year 1948-49 Budget Act as this agency is specifically prohibited by statute from creating deficiency expenditures as authorized under Section 11006 of the Government Code, and in addition, as it is a special fund agency, it does not have access to the Emergency Fund for contingent expenses.

We believe that the Department of Motor Vehicles, due to its complicated responsibilities, the nature of its operations, and the amount of its total annual expenditures, needs such a contingency reserve to meet unanticipated emergencies.

The amount requested, \$500,000, is \$150,000 greater than the sum which was appropriated for this item in the current year. To date \$177,792 of that amount has been allocated to defray unbudgeted pro rata charges.

We recommend approval of this item as budgeted.

DEPARTMENT OF FISH AND GAME

ITEM 173 of the Budget Bill

Budget page 444

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

Amount requested	\$9,481,631
Contribution to State Employees' Retirement System	540,000
Total	\$10,021,631
Estimated to be expended in 1960-61 fiscal year	10,106,261
Decrease (0.8 percent)	\$84,630
TOTAL RECOMMENDED REDUCTION	\$172,055

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Delete Predator Control Operating Expenses (\$25,400)			
Region I	\$7,300	449	57
Region II	7,300	451	28
Region III	3,600	452	79
Region IV	7,200	454	50
Assistant to commission (\$18,516)			
Delete assistant to the commission	12,576	444	75
Delete one intermediate typist-clerk	4,740	444	76
Delete in-state travel	1,200	445	6
Revision of Conservation Education printing budget (\$63,359)			
Reduce operating expenses			
Printing—sportsmen services	\$22,935	447	22
Printing—technical reports	15,186	447	23
Printing—laws, rules and regulations	25,238	447	24
Centralization of license administration, personnel management and fiscal control			
Delete various positions	\$64,780		