

Deficiency Payments—Continued

and then contingent on approval by the Department of Finance, we recommend approval as budgeted.

DEPARTMENT OF MOTOR VEHICLES

ITEM 178 of the Budget Bill

Budget page 442

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

Amount requested	\$33,858,601
Estimated to be expended in 1962-63 fiscal year	31,367,668

Increase (7.9 percent)	\$2,490,933
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TOTAL RECOMMENDED REDUCTION	None
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GENERAL SUMMARY

The principal functions of the department are:

1. Registration and titling of motor vehicles.
2. Examination of applicants for and the issuance of driver licenses.
3. Administration of the negligent operator and driver improvement programs.
4. Licensing of automobile salesmen, dealers, wreckers, manufacturers and transporters.
5. Investigation and enforcement of laws pertaining to the registration of vehicles and driver licensing.
6. Licensing and control of private driving schools and instructors.
7. Administration of the Financial Responsibility Law pertaining to motor vehicle accidents.
8. Collection of fees prescribed by law and the accounting for and distribution of these revenues.
9. Maintenance of records, principally those relating to registration and titling of automobiles, operator licenses, moving violations and failures to appear in court.
10. Servicing requests for information from law enforcement agencies, insurance companies, attorneys, banks and other.

To administer these functions there are four divisions: Administration, Registration, Driver's Licenses and Field Office Operation which has 144 branch offices and 27 mobile units that services 63 locations throughout the State which do not have sufficient population to warrant branch offices.

ANALYSIS

The department receives its support from three separate funds which appear as separate items in the Budget Act. For a valid comparison of expenditures it is necessary to group these funds and discuss the totals as shown in the following table:

	Estimated 1962-63	Proposed 1963-64	Change from 1962-63
Support (Motor Vehicle Fund)	\$31,367,668	\$33,784,601	\$2,490,933
Support (Motor Vehicle License Fee Fund)	5,111,778	5,400,932	289,154
Support (General Fund)	25,200	—	—25,200
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	\$36,504,646	\$39,259,533	\$2,754,887
Personnel man-years	5,187.1	5,337.8	150.7

Department of Motor Vehicles—Continued

Since fiscal year 1959-60 the department has operated with the same number of positions even though workload has continued to increase since that time. In the Division of Driver Licenses, on an average, the issuance of driver licenses have increased by 17.4 percent each fiscal year, except in the fiscal year 1961-62 which decreased by 9.1 percent due to the ending in September 1961 of renewal issuance of four-year licenses. The bulk of those holding these four-year licenses obtained five-year licenses. Furthermore, 186 man-years of authorized positions were abolished in 1959-60.

The department has managed to serve the public in registration and driver license transactions by:

1. Transferring employees from the negligent operator and driver improvement functions to other functions.
2. Discontinuing driving tests to applicants whose license had been expired for more than 30 days but less than 90 days.
3. Discontinuing driving tests to renewal applicants under the age of 21.
4. Discontinuing driver tests for all applicants with apparent physical infirmities.
5. Discontinuing mandatory driving tests for applicants who pass only by oral test or written Spanish test. (By taking these steps an estimated 64,712 driving tests were eliminated.)
6. Discouraging the extension of license crews traveling to remote areas.
7. Spanish written tests were given in lieu of written tests in English.
8. Vision tests were shortened.
9. Questions on written tests were reduced from 40 questions to 20 questions in February 1961.
10. Inspection of documents in the field offices was reduced in the month of October 1961.
11. Coding and inspection functions were transferred from the field offices to headquarters when the workload increased to a point impossible for the field office employees to handle.
12. Procedures in the negligent operation program were changed. In July 1959 every driver record with a point count of three in 12 months was reviewed with the possibility of sending out warning letters, and every driver with a point count of four in 12 months was scheduled for hearing. The point count is determined by giving a value of two points for any conviction under Sections 14601, 20002, 20007, 23102, 23103, or 23104 of the Vehicle Code. Other traffic convictions are given a one point value. Also, a value of one point is given for any accident in which the department deems the operator to be responsible. Due to lack of personnel, backlogs occurred and in October 1959 warning letters decreased from 17,863 to 1,858 per month. At that time thousands of driver records were refiled without any action; pull standards were changed from a three-point count to five and finally six in 12 months.

Department of Motor Vehicles—Continued

The above conditions with limited manpower and increasing volume of work has resulted in verification errors, improper terming of many licenses, misfiling, insufficient training of new personnel, and issuance of licenses which probably should have been withheld. In our opinion curtailing the negligent operation program has resulted in more traffic violations and presumably more accidents. Records of the department prove that the negligent operator and driver improvement programs were successful in producing better drivers and temporarily removing some of the careless drivers from the highways. Additional positions are being requested for the 1963-64 fiscal year to partially reinstate some of these functions. Division of Registration, despite the employees transferred from other sections, has been unable to meet workload due to lack of manpower over the past three fiscal years. Workload has increased steadily each year. The division did not have any additional employees to handle this increase in workload. The Division of Field Office Operations stayed within its manpower restrictions by using permanent intermittent employees who are on call and used only when workload reaches a point where the regular employees are unable to process it within a reasonable period of time. However, the workload has now reached a point where additional permanent employees are necessary. As mentioned before, inspection, to assure accuracy of rating, coding, etc., of work done by clerks was greatly reduced. Errors have been found when the documents were machine processed. This has resulted in redoing work that should have been correct before going to the machine room. How much revenue, if any, has been lost due to these errors is not known. However, proper review of documents should be made and part of the increase in the budget request is to provide for this review.

Mechanization of Registration Functions

Delivery of the electronic data processing equipment for the Division of Registration is expected April 1, 1963. With the huge volume of registered vehicles, which is increasing each year and the many transactions related to motor vehicles, it became necessary to obtain faster machines that could store and process information on tapes. The use of these machines should result in dollar savings after the conversion period and the various programs are written and tested to get the maximum efficiency from this equipment.

Mechanization of Driver License Functions

At present the functions of the Division of Driver Licenses are performed manually. It has been obvious for the past few years that a volume would occur which would make it impossible to continue with a manual operation. As of April 1962 the division was licensing 8,000,000 drivers and now it is imperative that the operation be mechanized as soon as possible. The study for mechanization has been going on for the past several years. In 1954 the office of Legislative Analyst did a comprehensive study of the operations and procedures of the Department of Motor Vehicles. Many of our recommendations related to registration transactions, with some modifications, were put into effect.

Department of Motor Vehicles—Continued

We presented a report entitled "Procedures for Licensing Operators" to the department for review in 1955 in which we recommended that parts of the operation be mechanized. At that time the department had been and was still confronted with problems of the mechanization of the registration of motor vehicles and was reluctant to attempt the mechanization of driver licenses when the volume was such that no serious difficulties were occurring in the manual operations. Since that time many changes in the laws relating to the operators of motor vehicles have occurred which make the operation complex under any system.

In April of 1962, a study committee researching automated methods published and sent to the various vendors of business data processing equipment a request for automated systems proposals. This was not a formal bid request but a request for proposals which would permit the department to get ideas as to the possibilities for automating their operations. Proposals were submitted by several vendors. The department is now in the process of preparing specifications for formal bids.

Due to the conditions of increased workload since fiscal year 1958-59 mentioned earlier in our analysis, the department was forced to add 154 new permanent positions and 31.9 man-years of temporary help at a cost of approximately \$611,400 for six months effective January 1, 1963. These positions are to be financed from savings and the Contingent Fund. It is estimated that an additional amount of \$300,000 will be required in the current fiscal year due to recent federal legislation increasing postal rates and changes in regulations. It is our understanding that a bill will be introduced requesting funds to cover this deficiency. Also the 1962-63 fiscal year budget contains approximately \$1,950,000 for salary increases.

The major increases and decreases for the 1963-64 fiscal year are as follows:

1. Merit salary increase	+\$557,653
2. Nonreoccurring costs for new building budgeted in 1962-63 ..	+368,017
3. Full year cost 1963-64 for maintenance of new building	+244,483
4. One time costs of issuing 1963 license plates budgeted in 1962-63	-941,374
5. Net increase for purchase of license plates, budgeted in 1962-63, extras needed for 1963	+493,500
6. Decrease in positions (121.9) due to installation of electronic equipment for the Division of Registration	-320,454
Equipment	+458,670
Less rental on I.B.M.	-148,420
7. Full year of positions established for workload in 1962-63 fiscal year	+425,405
8. Positions to handle increase in workload estimated for 1963-64 fiscal year	+941,171
9. Restoration or partial reinstatement of programs, such as negligent operator program, dealers and wreckers audit, driving tests, etc.	+525,365
10. Electronic data processing system for Division of Driver Licenses	+250,000

The following table shows workload increases since 1959-60 fiscal year:

DEPARTMENT OF MOTOR VEHICLES

Workload Comparison for Fiscal Year 1958-59 through 1963-64

	<i>Actual</i> 1958-59	<i>Actual</i> 1959-60	<i>Actual</i> 1960-61	<i>Actual</i> 1961-62	<i>Estimated</i> 1962-63	<i>Estimated</i> 1963-64
Drivers Licenses						
Total issuance -----	2,239,969	2,626,492	3,122,700	2,388,500	2,800,000	2,887,000
Increase over previous fiscal year:						
Amount -----		386,523	496,208	—237,992 ¹	411,500	87,000
Percent -----		17.3	18.9	—9.1	17.2	3.1
Registration						
Total registrations -----	8,013,890	8,571,700	8,890,560	9,271,000	9,716,000	10,077,000
Increase over previous fiscal year:						
Amount -----		557,810	318,860	380,440	445,000	361,000
Percent -----		7.0	3.7	4.3	4.8	3.7

¹ Compared with normal year 1959-60.

Department of Motor Vehicles—Continued

There is a net increase of 150.7 proposed new positions for 1963-64, an increase of \$2,490,933, or 7.9 percent as compared with 1962-63 fiscal year. Due to workload increases as shown in the table on page 544 and to correct deficiencies which have occurred during the past three fiscal years we recommend approval of this item as budgeted.

DEPARTMENT OF MOTOR VEHICLES

ITEM 179 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	\$5,400,932
Estimated to be expended in 1962-63 fiscal year	5,111,778
Increase (5.7 percent)	\$289,154

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

The amount of \$5,400,932 is a request to cover expenditures of the Department of Motor Vehicles for enforcement of the Vehicle License Fee Law (Section 11003, Revenue and Taxation Code). The percentage of expenditure chargeable for the collection of these is determined by cost studies made from time to time by the Department of Motor Vehicles in collaboration with the Department of Finance.

We recommend approval of this item as budgeted.

Department of Motor Vehicles

DEFICIENCY PAYMENTS

ITEM 180 of the Budget Bill

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

Amount requested	\$350,000
Estimated to be expended in 1962-63 fiscal year	350,000
Increase	None

TOTAL RECOMMENDED REDUCTION	None
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ANALYSIS

This department receives its support from special funds and is prohibited by statute from creating a deficiency. Furthermore, it cannot obtain money from the Emergency Fund for contingent expenses. Unforeseen emergencies can occur in any agency of this size, therefore, the Legislature has seen fit, since the Budget Act of 1948, to make this annual appropriation.

We recommend approval of this item as budgeted.