

## TRANSPORTATION AGENCY

ITEM 226 of the Budget Bill

Budget page 789

FOR SUPPORT OF TRANSPORTATION AGENCY  
FROM THE MOTOR VEHICLE FUND

Amount requested .....	\$79,905
Estimated to be expended in 1966-67 fiscal year.....	79,106
Increase (1 percent) .....	\$799

TOTAL RECOMMENDED REDUCTION..... Unresolved

## GENERAL PROGRAM STATEMENT

The Administrator of Transportation is responsible for the general coordination and supervision of the Transportation Agency. This agency was created in 1961 to coordinate the activities of the Department of the California Highway Patrol, the Department of Motor Vehicles and the Department of Public Works. The administrator is also the chairman of the California Highway Commission which is responsible for state highway policy.

The proposed budget is for the support of the administrator, an assistant and two clerical positions.

## ANALYSIS AND RECOMMENDATIONS

The \$799 increase in proposed expenditures from the current year to the budget year results from an increase in personal services. A footnote to the proposed 1967-68 Budget reads, "Expenditures in this budget have been adjusted to be substantially in accordance with the concept applied to General Fund support activities." This concept is to make an adjustment for workload and price increases to the estimated 1966-67 expenditures and then to deduct 10 percent from this total. Although we understand such adjustments will be made, they have not been made in this budget, as suggested by the footnote.

More significant than any minor adjustments to be made in this budget item is the future role of the Transportation Agency. There have been legislative and administrative proposals to alter the existing functions of the agency. One such proposal is to remove the Administrator of Transportation from the highway commission in order to give the commission greater independence. However, the possibility of developing a transportation system which would coordinate all modes of transportation and integrate the transportation needs of the state with the remaining needs and values of the state may be more readily enhanced by strengthening rather than weakening the role of the Transportation Administrator.

We understand that the administration is proposing to change the Transportation Agency to a Commerce and Transportation Agency which would include, in addition to the existing Transportation Agency, the Departments of General Services, Alcoholic Beverage Control, Investment, Professional and Vocational Standards, State Personnel Board and other similar functions. This, of course, would drastically alter the role of the Transportation Agency.

Transportation Agency—Continued

*Because we anticipate further workload adjustments by the agency and a possible change in the role of the agency, a recommendation on the overall level of expenditure proposed by this budget is not meaningful at this time.*

**TRANSPORTATION AGENCY**

ITEM 227 of the Budget Bill

Budget page 789

**FOR SUPPORT OF VEHICLE EQUIPMENT SAFETY COMMISSION FROM THE MOTOR VEHICLE TRANSPORTATION TAX FUND**

Amount requested .....	\$7,335
Estimated to be expended in 1966-67 fiscal year .....	7,335
Increase .....	None

**TOTAL RECOMMENDED REDUCTION** ..... Unresolved

**GENERAL PROGRAM STATEMENT**

The main function of the Vehicle Equipment Safety Commission is to carry out the purposes of the Vehicle Equipment Safety Compact that was enacted into law by Chapter 238, Statutes of 1963. These purposes are to promote uniformity and standards for safety equipment on motor vehicles and achieve desirable changes in equipment in the interest of greater traffic safety.

The commission is composed of one commissioner from each member state. The Administrator of Transportation is the commissioner representing the State of California.

**ANALYSIS AND RECOMMENDATIONS**

The amount requested for the budget year is the same as the amount approved by the Legislature for the current fiscal year. This provides \$2,000 for out-of-state travel for the commissioner and \$5,335 for California's share of the expenses of the commission. A footnote to the proposed 1967-68 Budget reads, "Expenditures in this budget have been adjusted to be substantially in accordance with the concept applied to General Fund support activities." This concept is to make an adjustment for workload and price increases to the estimated 1966-67 expenditures and then to deduct 10 percent from this total. These adjustments have not been made as suggested by the footnote.

*A recommendation on the overall level of expenditure proposed by this budget, pending additional information on adjustments to be made by the agency, is not meaningful at this time.*

**DEPARTMENT OF THE CALIFORNIA HIGHWAY PATROL**

ITEM 228 of the Budget Bill

Budget page 790

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

Amount requested .....	\$75,465,575
Estimated to be expended in 1966-67 fiscal year .....	73,236,093
Increase (3.0 percent) .....	\$2,229,482

Department of the California Highway Patrol—Continued

**TOTAL RECOMMENDED AUGMENTATION**----- \$10,355,269**Summary of Recommended Augmentations**

Price increases -----	\$219,905
Support of 1,000 traffic officers authorized by the Budget Act of 1966, pursuant to Chapter 2031/1965 -----	1,812,506
Support of traffic officers and related personnel as a second of three increments pursuant to Chapter 2031/65 -----	8,322,858
<b>Total</b> -----	<b>\$10,355,269</b>

**Summary of Policy Options**

We recommend that the Transportation Agency be made responsible for the development of a total safety program to drastically reduce highway accidents.

**GENERAL PROGRAM STATEMENT**

The highway user is served in a variety of ways by the Department of the California Highway Patrol in its contribution to the overall Transportation Agency responsibility for assuring safe and efficient use of the highway system.

**Duties and Functions**

The state traffic officers, who patrol 14 thousand miles of state highways and 70 thousand miles of county roads, represent the vital link between the department and the motorist, and in turn require support by personnel in the area and zone field offices, and Sacramento headquarters. The traffic officers' patrol functions include enforcing the rules of the road pertaining both to driver action and motor vehicle mechanical condition, investigation and reporting of accidents, and rendering aid to distressed motorists and to other law enforcement officials. Traffic officer special assignments include movable weighing station duty where the size, weight and methods of securing commercial vehicle cargo are checked, passenger vehicle lane inspection duty, automobile theft investigation, schoolbus and schoolbus driver inspection and approval, and official brake and lamp station licensing and inspection.

The department is also represented in the field by civilian specialists who are responsible for inspection of commercial motor carrier fleets in their terminals and for licensing and inspecting official motor vehicle pollution control stations.

Zone commanders in Redding, Sacramento, San Francisco, Fresno, Los Angeles and San Diego report directly to the department's chief executive, the Commissioner of the California Highway Patrol, and supervise the field operations which are locally directed by area commanders. The state traffic officers report to the area commanders through designated assistants. The civilians responsible for motor carrier fleet inspections are headquartered in the six zone offices, but report directly to the Motor Carrier Safety Section of the Sacramento headquarters Safety Services Division. The civilian specialists engaged in the motor vehicle pollution control program report to the zone commanders.

The executive staff and four staff divisions (operational planning and analysis, training, safety services, and administrative services) are located in the Sacramento headquarters office. The Operational Planning and Analysis Division is responsible for planning the implementation of the recent significant staff increases, for determining the basis

Department of the California Highway Patrol—Continued

for rational staff deployment, for collecting information and summarizing it to be used for management purposes, and for evaluation of the effectiveness of various levels of manpower deployment. The Training Division is responsible for training new cadets in the academy and for a continuing training program for all department employees. The Safety Services Division is responsible for the development and dissemination of regulations and procedures required to uniformly enforce safety equipment and driver programs, the motor carrier safety inspection program and other miscellaneous assignments such as radio dispatching service for the Sacramento vicinity and maintenance of the automobile theft records. The Administrative Services Division is responsible for acquiring and equipping patrol cars and motorcycles, the procurement of field office facilities and operational supplies, all personnel services and budgeting and accounting activities.

Ten-Year Growth

Table 1 below reflects the extent of growth experienced by the department in five-year intervals for the last 10 years. Lines 5 and 6 show the number of patrolmen assigned to a beat (on-view) in relation to vehicle miles driven and to vehicles registered in California. We do not suggest these ratios accurately measure the level of service provided, but they reflect an order of magnitude of the statewide patrol coverage. The number of on-view traffic officers has not increased in proportion to the total number of traffic officers added in the last five years because of the significant increase in the number assigned to special duties reflected in line 7 of the table. The total five-year increase of 475 traffic officers assigned to special duties includes 300 for passenger vehicle inspection, 30 for validation of corrected mechanical deficiencies, 30 for investigation of traffic officer applicants, 49 for scale operations, 63 for mobile road enforcement of commercial carriers and three for headquarters assignments. We will comment further on the passenger vehicle inspection program below.

Table 1  
California Highway Patrol 10-Year Growth  
(Authorized Staff)

	1957-58	Percent Increase Five Years	1962-63	Percent Increase Five Years	1967-68
1. Total staff * -----	3,105.5	18.6%	3,683.8	72.1%	6,341.1
2. Total nonuniformed staff --	671.5	26.3	847.8	77.2	1,502.3
3. Total uniformed staff (including overtime) --	2,431	16.6	2,835	70.6	4,837.8
4. Total uniformed staff (less overtime) -----	2,431	12.5	2,735	70.6	4,665
5. Total supervisory uniformed staff -----	321	24.6	400	35.0	540
6. Total traffic officers -----	2,110	10.7	2,335	76.7	4,125
7. Total special assignment traffic officers -----	196	15.8	227	209	702
8. Total on-view traffic officers	1,914	10.1	2,108	62.4	3,423
9. Million vehicle miles driven per on-view traffic officer	32.4		36.5		29.8
10. Thousand California vehicle registrations per on-view traffic officer -----	3.9		4.6		3.6

\* Does not include school crossing guards.

**Department of the California Highway Patrol—Continued**

Most of the greatly increased growth of the department in the last five years compared to the preceding five years can be attributed to implementation of specific legislation. The most significant was Chapter 2031, Statutes of 1965, which increased motor vehicle registration fees for the specific purpose of doubling the uniformed strength of the department. An additional 1,000 traffic officers was authorized in the Budget Act of 1966 as the first of three incremental increases pursuant to Chapter 2031, 1965. Chapter 1451, Statutes of 1965 made the department responsible for patrolling approximately 300 miles of urban free-ways that were previously patrolled by local police and the Budget Act of 1965 authorized 40 traffic officers for this purpose. Fifty-one civilian specialists were added in the Budget Acts of 1963 and 1964 for the motor carrier safety inspection program pursuant to Chapter 2148 of the Statutes of 1963. Fifty-four station and vehicle inspection specialists were added by the Budget Act of 1963 to implement the motor vehicle pollution control legislation encompassed in Chapters 999 and 2028 of the Statutes of 1963.

There were 500 traffic officers authorized for assignment to six specified major accident areas in the Budget Act of 1965 and 225 traffic officers added for road patrol in the Budget Acts of 1962 and 1963 in actions not specifically related to implementation of recent legislation. Similarly, 45 sergeants were authorized by the 1965 Budget Act to implement a report prepared by a board of officers appointed by the commissioner to determine appropriate levels of supervision statewide. The remaining staff additions authorized in the 1962-1967 five-year interval were justified as necessary to support the traffic officers and civilian specialists discussed above.

**Level of Service Determination**

The concept of maintaining the existing level of service, whatever that level of service may be, is often relied upon as a budget guideline. Workload growth is matched by staff increases sufficient to absorb the additional workload according to the constant level of service guideline. The California Highway Patrol historically has been unable to develop a way to indicate the level of its workload or a measure of the level of service provided. The department's failure in the past either to assess accurately the effect on highway safety or to describe meaningfully other consequences or services related to increasing the size of its staff resulted in unpredictable legislative reaction to requests for increases. This unpredictability of either results or appropriations hampered the department's ability to develop reasonable planning guidelines.

In order to develop a more rational approach to the problem of determining or advising upon the appropriate level of staff necessary for a definable level of service, the department undertook a special study in 1964, entitled Operation 101. A 35.3-mile section of State Highway 101 near Oceanside was manned for the 1964 calendar year with 36 traffic officers compared to the prior allocation of 18 traffic officers. The accident record for 1964 was then compared to the three-year average for the preceding three years in order to determine the effect of the increased staff. A significant accident rate reduction was at-

**Department of the California Highway Patrol—Continued**

tributed to the increased staff level and used as evidence in the successful request for 500 additional traffic officers authorized for six major accident areas by the Budget Act of 1965 and the doubling of the uniformed strength authorized and financed by Chapter 2031 of the Statutes of 1965.

The Operation 101 study findings that accident rate reduction can be attributed to traffic officer patrol is gratifying, but the sample was neither sufficiently large nor conclusive to justify predictions of identical experience on other highway sections patrolled by a proportionate number of traffic officers. The study was limited to a unique highway section and a specific staff level. The optimum staff level for the section of highway studied may be higher or lower than the level tested. Accident reduction experience on other highway sections may differ from the Operation 101 findings based on a proportionate staff level.

The department recognizes the incompleteness of the Operation 101 study and is conducting a subsequent and complementary study, Operation 500, in order to develop supplementary information necessary to improve the possibility of predicting the relationship of accident reduction to staff level. The Operation 500 study is based on an examination of the effect of the 500 traffic officers authorized by the Budget Act of 1965 to patrol six specified major accident areas. Ultimately, the department hopes to examine a sufficient number of varied combinations of highway types and staff levels to make reasonable projections of the accident rate that can be expected on any highway section per given level of staff. Such information will be useful as a basis for rationally determining the optimum deployment of men and for predicting the benefit of employing or the cost of not employing additional traffic officers. We urge timely analysis and reporting of the findings of such studies.

**ANALYSIS AND RECOMMENDATIONS****The Budget Proposal**

The \$75,465,575 level of support to the department proposed in the budget includes an increase of \$2,229,482 necessary to finance the full-year cost of the 1,000 additional traffic officers and supportive personnel authorized in the current year but filled for only varying portions of the year. The total full-year cost increase of \$3,165,919 required is reduced to the \$2,229,482 proposed because of nonrecurring equipment expenditures financed in the current year. The proposed amount does not include \$219,905 for price increases, \$3,318,792 for supportive staff and related expenses to back up the 1,000 traffic officers added in the current year, \$10,986,201 for the second incremental increase in the uniformed strength of the department pursuant to Chapter 2031, Statutes of 1965, or \$1,727,201 originally requested by the department for new or expanded programs. The above amounts are all identified in working papers prepared by the department and entitled "Department of California Highway Patrol Changes Between 1966-67 and 1967-68 Governor's Budget."

A footnote on page 790 of the budget specifies that "expenditures in this budget have been adjusted to be substantially in accordance

**Department of the California Highway Patrol—Continued**

with the concept applied to General Fund support activities." This statement is incorrect. The concept applied to General Fund support activities includes adding an amount designed to finance the projected workload increase and subsequent reduction of 10 percent from that total. We understand that such action is intended for the California Highway Patrol budget, but it is not reflected in the budget proposed as suggested by the footnote.

In view of the pending adjustment to the proposed budget, and the absence of detailed information to substantiate the specific reductions that were made in order to reduce the original department budget submission to that currently proposed, a recommendation on the overall level of the budget would not be meaningful at this time. We will address ourselves to specific questions, as follows, instead.

**Recommended Augmentation**

As noted above, the budget does not include the \$3,318,782 estimated by the department as necessary to support the 1,000 traffic officers added in the current year or the \$10,986,201 for the second increment of traffic officers pursuant to the declaration of legislative intent expressed in Chapter 2031 of the Statutes of 1965. Neither does the budget suggest the alternate of repealing the motor vehicle registration fee increase levied pursuant to Chapter 2031, 1965, for the specific purpose of augmenting the department's uniformed strength. We do not believe reversal of such a clearly stated expression of legislative intent should be advocated unless the inadvisability of complying with such an expression can be clearly demonstrated. On the contrary, the limited evidence available supports the past legislative action. *We recommend approval of the level of support necessary to sustain the 1,000 officers authorized by the Budget Act of 1966 and the second incremental addition of uniformed and supportive personnel pursuant to Chapter 2031, Statutes of 1965.* The detail of the amount of augmentation recommended is delineated below following our arguments supporting the recommendation.

**Arguments for Augmentation**

Accident reduction was probably the major goal identified to justify the doubling of traffic officer strength in Chapter 2031, 1965. The most significant conclusion reported in Phase I of the Operation 101 Final Report is that there were 264 injury accidents in 1964 on the 35.3-mile section of highway studied compared to a range of 316 to 380 injury accidents that could have been expected with 99.73 percent certainty based upon statistical projection of the 1961-1963 experience. Minor highway improvements were estimated to be responsible for the reduction of 13 possible injury accidents. It might be reasonably concluded, therefore, that from 39 (12%) to 103 (36%) injury accidents were averted because additional manpower was assigned to patrol the Operation 101 highway section. Preliminary evaluation of the Operation 500 studies by the department substantiates the accident reduction experience of Operation 101. The department can demonstrate that the increase in patrol strength is associated with significant accident

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rate reduction; thus if such effect is presumed to be a legitimate goal, it is logical to conclude that full implementation of Chapter 2031 is appropriate.

There are alternate means sometimes advocated to reduce the accident rate, such as speed limit reduction and deprivation of driving privileges to known high-risk drivers. These approaches cannot clearly be supported in lieu of increased road patrol, however, because both must be enforced to be effective and they therefore generate the need for more, not less, traffic officers.

The use of traffic officers to enforce the rules of the road is sometimes criticized as inefficient compared to the potential of employing electronic devices for the purpose. The department has considered the use of radar devices as an aid to enforcement, for example, but has been discouraged because the implication of entrapment associated with radar use is of doubtful social acceptability. Efficient or not, the traffic officer on the beat currently represents the only practical means of enforcement and he must be relied upon until both social and technical obstacles to more efficient enforcement can be overcome.

The most important justification for full implementation of Chapter 2031 is represented by the probability that the total public cost is reduced even though the state expenditure for supporting the department is increased. The accident reduction experience associated with denser road patrol on a statewide basis should be directly reflected in reduced automobile insurance premiums. This reduced cost alone may possibly offset the marginal cost of the additional patrolmen financed pursuant to Chapter 2031. As a minimum, the potential automobile insurance premium reduction should reduce the increased department support cost to a net public cost that can be justified readily by the social and economic benefits of accident reduction which are other than those reflected by savings in insurance premiums.

In summary, we recommend a budget augmentation to proceed with implementation of Chapter 2031 of the Statutes of 1965 because: (1) of the clear statement of legislative intent to that effect; (2) preliminary studies substantiate the predicted accident reduction associated with increased patrol strength; (3) alternate accident reduction measures such as speed limit reduction and restriction of high-risk drivers' privileges must be supported by enforcement; (4) traffic officers must be relied upon currently as the only socially acceptable means of enforcement; and (5) the total public cost should be less despite the direct increase in state expenditures associated with increases in patrol size.

**Augmentation Detail**

The total amount of augmentation recommended is \$10,355,269 including \$219,905 for price increases as specified by the department, \$1,812,506 to support the 1,000 traffic officers authorized in the current year as detailed in Table 2 below, and \$8,322,858 for the budget year cost of support of the second incremental addition as detailed in Table 3 below.



Table 2  
Support of 1,000 Traffic Officers Added in Current Year Pursuant to Chapter 2031/1965

Positions	Amount		
	Personal services	Operating expense and equipment	Total
<b>Field Operations</b>			
4 Captains -----	\$55,604	\$21,358	\$76,962
44 Lieutenants -----	507,197	234,978	742,175
39 Sergeants -----	389,606	121,639	511,245
18 Radio dispatchers -----	114,696	--	114,696
46.3 Intermediate clerks -----	243,517	44,284	287,801
—5 Radiotelegraph operators * -----	—40,542	--	—40,542
—13.25 Janitors † -----	—69,747	--	—69,747
<b>Total Field Operations</b> -----	<b>\$1,310,620</b>	<b>\$422,259</b>	<b>\$1,622,590</b>
<b>Headquarters—Administrative Services</b>			
Accounting:			
1 Accountant I -----	\$7,180	\$873	\$8,053
1 Senior typist-clerk -----	5,924	990	6,914
1 Intermediate typist-clerk -----	5,264	990	6,254
Office Services:			
1 Duplicating machine operator II -----	5,785	10,000	15,785
1 Intermediate clerk -----	5,264	262	5,526
Personnel:			
1 Assistant disability and retirement coordinator -----	9,142	1,119	10,261
Stores and Equipment:			
1 Stock clerk -----	6,072	127	6,199
1 Intermediate typist-clerk -----	5,264	479	5,743
<b>Headquarters—Operational Planning and Analysis</b>			
Data Processing:			
1 Keypunch supervisor -----	7,020	300	7,320
13 Keypunch operators -----	69,990	3,777	73,767
Statistics:			
2 Senior clerks -----	11,849	442	12,291
1 Intermediate typist-clerk -----	5,264	221	5,485
3 Intermediate clerks -----	15,791	--	15,791
<b>Headquarters—Safety Services</b>			
Special Services:			
2 Intermediate typist-clerks -----	10,527	--	10,527
<b>Total Headquarters</b> -----			<b>\$189,916</b>
<b>TOTAL AUGMENTATION</b> -----			<b>\$1,812,506</b>

\* Radiotelegraph equipment is being phased out in the current year, positions can be converted to fill 5 of the 18 radio dispatcher positions recommended.

† These janitors were authorized in the current year for new field offices that will not be opened in the budget year.

**Table 3**  
**Support of Traffic Officers and Related Personnel as Second Incremental Addition Pursuant to Chapter 2031/1965**

<i>Positions</i>	<i>Amount</i>		
	<i>Personal services</i>	<i>Operating expense and equipment</i>	<i>Total</i>
<b>Field Operations</b>			
641 Traffic officers and 159 station and vehicle inspection specialists -----	\$4,849,453	\$1,901,254	\$6,750,707
22 Man-years overtime -----	200,000	--	200,000
7 Captains -----	97,306	36,674	133,980
10 Lieutenants -----	114,935	52,381	167,316
45 Sergeants -----	449,547	138,127	587,674
12 Automotive servicemen -----	84,151	--	84,151
50 Intermediate clerks -----	263,182	35,925	299,107
<b>Other Operating Expense:</b>			
General expense -----	--	4,750	4,750
Communications -----	--	48,000	48,000
Equipment rental -----	--	41,131	41,131
Facilities rental -----	--	91,042	91,042
Utilities -----	--	10,000	10,000
Facilities maintenance -----	--	5,000	5,000
<b>TOTAL AUGMENTATION -----</b>			<b>\$8,322,858</b>

**Department of the California Highway Patrol—Continued**

The total amounts identified in Tables 2 and 3 are less than the \$3,318,792 and \$10,986,201 identified as being necessary for those purposes by the department for several reasons, the most significant of which will be discussed in the following paragraphs.

**Provision of Field Offices**

The department proposed several new field offices to house the expected staff increases, but the new offices are not provided for in the budget proposal. Our recommended augmentation detailed in Tables 2 and 3 above does not include provision of funds for these facilities or personnel such as janitors and radio dispatchers directly attributable to the existence of such facilities for two reasons. First, the interruption in the efforts necessary to procure the required facilities caused by the curtailment related to budget reductions will preclude the possibility of actually moving into new facilities in the budget year even if our recommended augmentation is approved. Second, and even more important, we are dismayed over the department's failure to examine the full consequences of entering a long-term lease as against state construction of new facilities without having made elementary economic studies to determine the state's financial interest. The department's original budget request, for example, proposed construction of 12 new state-owned field offices. A long-term lease was proposed, however, for Auburn where it would be clearly to the state's long-range economic benefit to construct a state-owned facility. We cannot judge whether economic justification supports the original proposal of 12 state-owned field offices because of the department's failure to provide such justification. If such justification can be supported, the competition for immediately available funds may preclude the construction of every state-owned facility where it is evident that it is in the state's best interest to do so. But this possibility is not sufficient justification for failing to determine potential savings.

We believe that the provision of adequate facilities is essential to the functioning of the men on the beat, so our failure to include funds for the rental of new facilities in the budget year is not for the purpose of denying such facilities. Instead, we think the facility procurement delay caused by the proposed budget reduction should be used to advantage to reevaluate the question of owned versus leased facilities. Once the consideration of both function and economics has dictated whether to lease or construct a state-owned facility, the procurement should proceed on a timely basis. *We recommend that a team of employees including Department of General Services land acquisition and architectural specialists as well as California Highway Patrol employees work together to assure development of adequate information to justify facilities requested and proceed to develop such facilities on a timely basis thereafter.*

Based on our recommended augmentation there will be surplus revenue available from Chapter 2031 to finance a combination of owned and leased facilities in the 1968-69 fiscal year as shown in Table 4 below. While we recommend approval of \$3,370,300 proposed as Item 319(a) of the Budget Bill to construct additional office space for headquarters

Department of the California Highway Patrol—Continued

personnel in Sacramento, the lease alternate possibilities in Sacramento are better than in several of the potential field locations. We recommend the use of the Motor Vehicle Fund to construct headquarters and field office facilities as determined economical to the state, but if a choice must be made, we consider construction of state-owned field offices to be of higher priority.

Table 4  
Comparison of Chapter 2031, 1965—Estimated Revenue and Expenditures

	1966-67	1967-68	1968-69
1. Revenue	\$11,565,798	\$24,020,000	\$37,158,000
2. Expenditure			
3. 1966-67 Phase 1	12,373,405	12,373,405	12,373,405
4. Full Year Phase 1	--	3,165,919	3,165,919
5. Phase 2	--	1,812,506	1,812,506
6. Less nonrecurring equipment	--	-2,126,257	-2,126,257
7. 1967-68 Phase 1	--	8,322,858	8,322,858
8. Full Year Phase 1	--	--	3,165,919
9. Phase 2	--	--	1,812,506
10. Less nonrecurring equipment	--	--	-1,701,005
11. 1968-69 Phase 1	--	--	8,322,858
12. Total Expenditures	\$12,373,405	\$23,548,431	\$35,148,709
13. Net revenue gain	\$-807,607	\$+471,569	\$+2,009,291
14. Cumulative revenue gain	--	\$-336,038	\$+1,673,253

The authorization of 1,000 traffic officers in the current year was not accompanied by authorization of the full complement of the supportive staff that will eventually be required. The traffic officers authorized became work generating field men in 120-man increments graduating from the academy periodically throughout the year. The supportive staff must be authorized in two phases, therefore, the first phase complement in the current year to support the traffic officers that have graduated from the academy to take their place in the field in the current year and the second phase complement per line 5 above required to support the remainder of the 1,000 men who will report to their first assignments in the budget year. Only the expected partial year cost of the traffic officers and supportive staff authorized in the current year was included in the current year amount, thus the need to add the full year phase I amount per line 4 above.

The estimated amounts used in the calculations above were provided by the department, except that some have been altered to reflect the reductions we have made in our analysis, and others have been altered to reflect our assumption (contrary to the department's assumption) that the cost of personal services budgeted in the current year as part of the first increment pursuant to Chapter 2031 should include the effect of the 1965 salary increase.

Need to Verify Legislative Intent

The expression of legislative intent included in Chapter 2031 that the revenue generated from the motor vehicle registration fee increase should be used to double the size of the uniformed strength is assumed to limit the strength to that which can be financed by the revenue increase. However, the legislation is silent on nonuniformed backup

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staff. Assumptions must be made to determine which specific charges are to be made to the estimated revenue increase, and the department should detail the appropriate assumptions for verification by the Legislature.

The calculation of the difference between Chapter 2031 revenue and expenditures above may not be meaningful if the related implicit assumptions are invalid.

The consideration of assumptions is relevant because salary increases and operating cost increases will diminish the ratio of traffic officers per vehicles registered that can be financed each year pursuant to Chapter 2031. The extent to which new facilities must be financed from Chapter 2031 revenue in any given year is also important.

**Passenger Vehicle Inspection Program**

The Legislature declared its desire for a balanced traffic safety program and authorized the California Highway Patrol to stop passenger vehicles for the purpose of an inspection of mechanical condition as one of the provisions of Chapter 2031. The department initiated this program with six inspection teams, generally employing four traffic officers and one station and vehicle inspection (civilian) specialist per team. Expansion to 60 teams is planned during the current year, but the use of civilian specialists will be curtailed because the civilian specialists were authorized for supervision of motor vehicle pollution control stations, not as participants on roadside passenger vehicle inspection teams.

We consider the decision to withdraw 300 men from patrol duties in order to conduct roadside inspection to be questionable. The department's well-trained traffic officers are most effective on the road, and civilian specialists are capable of inspecting the mechanical condition of passenger vehicles, just as they are responsible for inspecting commercial vehicles in the department's motor carrier safety inspection program. We believe that a maximum of two traffic officers are required per inspection team, one for traffic control, and one for the issuance of citations or warnings as required. *We recommend approval of 159 station and vehicle inspection specialists therefore, compared to 45 requested originally by the department. The department has 21 authorized but unfilled positions which deducted from 180 required to man 60 teams at three per team results in the need for 159 station and vehicle inspection specialist positions recommended.* A concurrent reduction of traffic officers is made in Table 3 because the total cost of support must remain less than the estimated revenue appropriated for this purpose pursuant to the assumption that Chapter 2031 revenue represents an absolute limit to staff size.

Federal highway safety legislation mandates vehicle inspection or sufferance of a reduction of 10 percent of federal highway construction aid. The National Highway Safety Agency has recently announced draft standards requiring each state to have a system of compulsory periodic vehicle inspection, contrary to California's random inspection program. California is appealing the requirements of the draft standards on the contention that a random check is both less costly and more

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effective. Should the appeal be denied, up to 2,400 traffic officers might be required for mechanical inspection and approximately 240 might be required for validation of corrected deficiencies based upon continued use of the present pattern of uniformed personnel for mechanical inspection. It is obvious that at this extreme, alternate means of inspection would have to be employed, but the extreme simply represents an exaggeration of the question. Alternate means should be sought regardless of the federal response to the California appeal.

**Need for Analysis of Patrol Effectiveness**

We have not included an additional amount for staff or computer costs necessary for analysis of deployment studies in our recommended augmentation whereas the department related such needs to the support of the 1,000 men authorized in the current year and to the second increment. The need for timely analysis and reporting of the department's deployment studies was emphasized in our General Program Statement above. As a matter of fact, reporting has not been timely. Phase I of the Operation 101 Final Report was transmitted to us November 25, 1966, and Phases II through IV have not been released yet despite the fact that the data was collected in 1964. Operation 500 data is accumulating while the Operation 101 report is being completed. Continued evaluation will be required subsequent to completion of the Operation 500 studies because the Operation 101 and 500 studies examine the effect of varying levels of manpower on varying kinds of highway but they do not adequately reflect the possible effects of varying the traffic officer's mode of operation. The basic information required to continue such studies is compiled to support the needs of management, so the marginal cost of analysis is composed only of the staff and machine time directly associated with the analysis.

We believe the department's analysis staff is sufficient to maintain the operations analysis that will be required once the basic deployment information currently being developed is completed. We have suggested to the department that contract services appears to represent a more efficient way to complete promptly the current peak level of analysis, and we have asked that it identify the cost and benefit of such an alternate to the department's original proposal. Our failure to recommend funds for analysis purposes above, therefore, is based on inadequate justification at this time; we may support an amount for contract services subject to the department's development of a plan of specific studies it intends to conduct. Such a plan must include an identification of the usefulness, cost, method of study and duration of each study proposed. *We recommend that the Legislature direct the department to prepare a study plan as described above.*

**Clerical Staff Required**

Every traffic officer generates a predictable amount of work for clerical workers because of the citations he issues, the reports of daily activity he prepares, etc. The department historically has substantiated the number of clerical workers required to back up the men in the field based upon formulas representing these predictable relationships.

**Department of the California Highway Patrol—Continued**

The number of clerical positions denoted in Table 2 above is equal to the number requested in the department working papers referred to above but is substantially less than the number computed based on established formulas and proposed in the original department budget request. The department may wish to reexamine the proposed level of clerical increase if our recommendation for augmentation is approved.

**Limit of Recommended Augmentation**

Finally, our recommended augmentation is limited strictly to funds required pursuant to Chapter 2031. We have not proposed funds to expand programs such as the motor carrier safety program or to support new programs such as the computer link between the department's auto theft file and federal criminal identification files initiated in the past year with federal funds based upon continuance with state funds.

**POLICY OPTIONS**

The passage of Chapter 2031, 1965, was reported in the press as one of the greatest steps ever taken to reduce slaughter on our highways. But the empirical studies conducted by the department reveal that full implementation of Chapter 2031 may result in only a 12-36 percent accident reduction impact on the 14,000 miles of state highway patrolled so intensely by the California Highway Patrol. There may or may not be a carryover effect in terms of better accident experience on the remaining 142,000 miles of streets and roads in California. Thus, while the passage of Chapter 2031 represented a major breakthrough in the recognition that something significant can be done about the automobile accident rate, even more drastic measures must be taken if it is decided that significant accident reduction on a state-wide basis is a reasonable goal.

The possibility of *choosing and achieving any desired level of accident reduction* is suggested in a Stanford Research Institute (SRI) report dated December 1965, and entitled "Drastic Measures For Reducing Traffic Casualties." The SRI report emphasizes the need to understand the nature of the trade off between inconveniences, hardships and expense inherent in a safety program versus the deaths, injuries, bereavements and expense experienced in the absence of a safety program.

The SRI report suggests that a total safety program that includes severe driver privilege restriction, about 20 percent speed limit reduction, use of an automated traffic enforcement system, a massive program of road system safety improvements, compulsory safety design of automobiles, and deemphasis of additional development of roads in favor of development of public transit systems can be combined to effect a 90-percent reduction in the accident rate.

The families of the 4,706 persons who died and 220,460 persons who were injured on California highways in 1965 may consider in retrospect that an investment in such a safety program is preferable to just an investment in automobile insurance policies.

Parts of the total safety program suggested above can be adopted almost immediately, given the willingness to trade a little travel effi-

## Department of the California Highway Patrol—Continued

ciency or speed for safety. A long-range plan and investigation should be instituted to consider the full range of automobile accident reduction possibilities.

Speed limit reduction and more rigid restriction of drivers' license privileges can be adopted immediately by amending the statutes for that purpose. Such actions would be complemented by the increased patrol staff recommended above. The rate of accident reduction expected because of the increased patrol coverage should be markedly improved combined with reduction in speed limits and elimination of high risk drivers from the roads. We have suggested in our analysis of the Department of Motor Vehicle budget that there is some question regarding the effectiveness of the current driver improvement program. While it is desirable to make every effort to stimulate driver improvement, the absence of significant success demonstrated by that program to date contributes to the apparent advisability of denying privileges to irresponsible drivers rather than merely issuing warnings or counselling.

Deprivation of driving privileges or reduction in speed may force increased use of public transit facilities. The state has encouraged to a limited extent the construction of rapid transit facilities in Los Angeles and San Francisco. Additional attention should be given to the public need for mass transit facilities as a substitute means of transportation for those deprived of driving privileges or driving convenience and as a substitute investment in lieu of the extensive construction of intra-urban freeways.

The Division of Highways has an ongoing program which is designed to eliminate particularly hazardous elements of the state highway system. It has identified approximately \$30 million worth of relatively minor improvements to be made in the next three years to diminish accident potential. This effort is limited, however, because most highway funds are used for new highway construction. The new highway construction of the state system is largely for freeways which divert traffic from less safe highways and are therefore credited with having improved highway safety. A survey of hazardous conditions could be made, the cost per level of potential accident reduction identified and compared with the cost per accident reduction attributed to new highway construction in order to establish the appropriate proportion of new versus improved highway expenditures pursuant to accident reduction impact criteria.

The remaining elements of the total safety program described by the SRI program may be currently beyond practical implementation or beyond the scope of responsibilities of existing units of state government. They should be considered, therefore, under the direction of the Transportation Agency Administrator as part of a long-range plan and investigation as suggested above.

The cost or specific benefit of any of the suggestions included in this policy option discussion are unknown. The Legislature has indicated a concern for accident reduction. Major impact can be achieved. Some agency should be required to delineate the alternatives more clearly.



Department of the California Highway Patrol—Continued

The SRI report is a good one in that it reveals the extent of benefits that are possible and in that it transcends the usual incremental and parochial approaches to the problem. But the report is useless without a forum for its consideration. We suggest that the Legislature mandate creation of such a forum by the Transportation Agency.

**Department of the California Highway Patrol  
DEFICIENCY PAYMENTS**

ITEM 229 of the Budget Bill

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

Amount requested .....	\$250,000
Amount allocated to date for the 1966-67 fiscal year.....	None
<b>TOTAL RECOMMENDED REDUCTION.....</b>	<b>None</b>

**ANALYSIS AND RECOMMENDATIONS**

The Department of the California Highway Patrol receives its support from the Motor Vehicle Fund (a special fund). Section 42272 of the Vehicle Code prohibits the creation of deficiency expenditures 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 unanticipated contingencies involving purchase and operation of patrol vehicles.

*We recommend approval of this item as budgeted.*

**DEPARTMENT OF MOTOR VEHICLES**

ITEM 230 of the Budget Bill

Budget page 794

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

Amount requested .....	\$1,324,729
Estimated to be expended in 1966-67 fiscal year.....	3,938,622
Decrease .....	\$2,603,893

**TOTAL RECOMMENDED REDUCTION.....** None

**ANALYSIS**

The amount requested is to cover the cost of the peak workload for the second phase of conversion of drivers license files to the electronic data processing system (AMIS). We discuss this proposal in detail in our analysis of Item 231 following.

*We recommend approval.*

DEPARTMENT OF MOTOR VEHICLES

ITEM 231 of the Budget Bill

Budget page 794

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

Amount requested .....	\$46,051,240
Estimated to be expended in 1966-67 fiscal year .....	45,465,496
Increase (1.3 percent) .....	585,744
<b>TOTAL RECOMMENDED AUGMENTATION .....</b>	<b>\$1,170,000</b>

Summary of Recommended Augmentations and Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
<b>Augmentation:</b>			
Division of Registration conversion to the Automated Management Information System .....	\$1,300,000	794	19
<b>Reductions:</b>			
Reimbursements for drivers license information .....	33,000	798	5
Reimbursement adjustment to reflect increased information workload .....	97,000	799	42
<b>Total Reduction .....</b>	<b>\$130,000</b>		

**Other Recommendations**

Because workload adjustments have not been made in this budget and because we anticipate further adjustments by the department, a recommendation on the overall level of expenditure proposed by this budget would not be meaningful at this time. Our analysis of the overall budget level and specific adjustments to be proposed is pending the department's development of the detailed information required.

**Summary of Policy Options**

- Charge additional fee for late drivers license renewal.
- Adjust occupational license fees to cover costs of issuance.

**GENERAL PROGRAM STATEMENT**

The Department of Motor Vehicles is a part of the Transportation Agency. This agency has the responsibility to provide a safe and efficient motor vehicle or highway oriented transportation system in California. The responsibility is shared by the three major departments of the agency, Public Works, Highway Patrol and Motor Vehicles.

From 1901 to 1905 the cities and counties of California were responsible for automobile registration. In 1905 the Secretary of State began to register and license motor vehicles and issue licenses and badges to chauffeurs. Between March 1905 and June 1906, 6,428 motor vehicles were registered. Interestingly, at that time, good brakes, a bell or a horn and satisfactory lights were a precondition for registration.

From 1913 to 1915 registration was a function of the State Treasurer, and vehicle records were kept by the State Department of Engineering. The Legislature created the first Department of Motor Vehicles in 1915 and in 1921 transferred the department's functions to the Division of Motor Vehicles in the newly created Department of Finance.

The division, transferred to the Department of Public Works in 1929, became a separate Department of Motor Vehicles in 1931. Included in the department was the Division of Enforcement, the forerunner of the highway patrol. The highway patrol function was performed by the

**Department of Motor Vehicles—Continued**

Division or Department of Motor Vehicles from 1923 to 1947 when a separate Department of California Highway Patrol was created.

The department was made part of the newly created Transportation Agency in 1961. Presently the Department of Motor Vehicles, headed by the Director of Motor Vehicles, is organized into four divisions; Administration, Registration, Drivers Licenses and Field Office Operation. The department's budget presentation contains a section entitled "Departmental Administration," which includes the director of the department, the staff who report directly to the director, and the Division of Administration. The functions of the departmental administration are related to policy determination and business management for the department and include fiscal management, personnel and training, management analysis, research and statistics, public information and legal services. The Compliance Services Section which is responsible for licensing and regulation of vehicle dealers, transporters, manufacturers, dismantlers, salesmen, and driving schools and instructors is also included in departmental administration.

The Division of Registration, headed by the Registrar of Vehicles, includes those functions necessary for the registration of vehicles and the maintenance of necessary motor vehicle records. The Division of Drivers Licenses includes those functions necessary for drivers licensing, drivers records and post-licensing driver control. The Financial Responsibility Section which is responsible for administering the state's financial responsibility laws is included in this division.

The Division of Field Office Operation operates the public offices which provide registration and license services throughout the state. The cost of maintenance, operation and repair of all office buildings owned or leased by the department is shown in the "Lands and Buildings" section of the department's budget.

The Department of Motor Vehicles is a special fund operation. The department's programs are supported by the motor vehicle fees and taxes which it collects. These include the motor vehicle registration and weight fees and drivers license fees which are placed in the Motor Vehicle Fund and the vehicle license fees (in lieu taxes) which are placed in the Motor Vehicle License Fee Fund. The latter revenues are levied as an in lieu property tax and are subvented to local governments to be used for state purposes. Most of the department's program is supported from the Motor Vehicle Fund, whose revenues also support the highway patrol and part of the state's highway program.

Table 1 summarizes the growth of the department from the 1963-64 fiscal year through the 1967-68 budget year.

**ANALYSIS AND RECOMMENDATIONS**

Before discussing the department's programs it is necessary to give an overview of this year's budget presentation. For this purpose we will include the \$1,324,729 proposed as an augmentation to the budget by Item 230. Table 1 indicates a \$1,949,200 difference between the estimated 1966-67 expenditures and the proposed 1967-68 expenditures. Table 2 is a detailed summary of these differences.

Table I  
Growth of the Department of Motor Vehicles—1963-64 to 1967-68

	1963-64	1964-65	1965-66	Estimated 1966-67	Proposed 1967-68
<b>Departmental Administration</b>					
Man-years -----	257.3	549.2	574.5	610.2	610.2
Total expenditures -----	\$2,381,286	\$5,505,973	\$5,084,211	\$6,861,672	\$6,705,832
—Reimbursements -----	—105,892	—92,188	—167,617	—144,305	—82,050
Total support -----	2,275,394	5,413,785	5,916,594	6,717,367	6,623,782
<b>Division of Registration</b>					
Man-years -----	1609.5	1362.3	1430.5	1528.4	1528.4
Total expenditures -----	\$11,925,047	\$10,206,071	\$10,915,496	\$12,066,480	\$12,163,062
—Reimbursements -----	—250,171	—250,059	—267,404	—282,000	—282,000
Total support -----	11,674,876	9,956,012	10,648,092	11,784,480	11,881,062
<b>Division of Drivers Licenses</b>					
Man-years -----	1394.3	1498.4	1604.7	2278.8	2434.1
Total expenditures -----	\$8,631,179	\$9,615,521	\$10,865,560	\$15,583,131	\$17,207,294
—Reimbursements -----	—1,528,135	—1,837,450	—1,888,909	—2,013,100	—2,013,100
Total support -----	7,103,044	7,778,071	8,976,651	13,570,031	15,194,194
<b>Division of Field Office Operation</b>					
Man-years -----	2001.9	2111.0	2208.2	2316.3	2316.3
Total expenditures -----	\$13,889,643	\$14,919,028	\$16,417,923	\$17,694,469	\$18,016,510
—Reimbursements -----	—366,587	—345,135	—521,114	—579,950	—579,950
Total support -----	13,523,056	14,573,893	15,896,809	17,114,519	17,436,562
<b>Land and building</b> -----	\$2,509,912	\$2,585,503	\$2,668,246	\$2,825,680	\$2,825,680
<b>Totals for Department</b>					
Man-years -----	5263.0	5520.9	5817.9	6733.7	6889.0
Total expenditures * -----	\$39,837,807	\$42,832,250	\$46,966,361	\$55,031,432	\$56,918,380
—Reimbursements -----	—2,251,525	—2,524,832	—2,858,244	—3,019,355	—2,957,100
Total support -----	\$37,586,282	\$40,307,418	\$44,108,117	\$52,012,077	\$53,961,280
<b>Total Support by Fund</b>					
Motor Vehicle Fund -----	\$32,130,654	\$34,528,829	\$38,037,270	\$45,465,496	\$46,051,240
Motor Vehicle License Fee Fund -----	5,455,628	5,778,589	6,070,847	6,546,581	6,585,311
Motor Vehicle Fund Augmentation (Item 230 of Budget Bill) -----	---	---	---	---	1,324,729
Total support -----	\$37,586,282	\$40,307,418	\$44,108,117	\$52,012,077	\$53,961,280

\* Includes tort liability claims.

## Department of Motor Vehicles—Continued

Table 2

Summary of Differences Between Estimated 1966-67 and Proposed 1967-68  
Level of Expenditures

	Amount	Percent
Program augmentation for drivers' license conversion to AMIS (Item 230)...	\$+1,324,729	68.0
Merit salary increase .....	+723,858	37.1
Revised staff benefits .....	+70,203	3.6
Reduced equipment costs .....	-232,527	-11.9
Miscellaneous adjustments .....	+62,940	3.2
<b>Total</b> .....	<b>\$1,949,203</b>	<b>100.0</b>

A footnote to the proposed 1967-68 budget reads, "Expenditures in this budget have been adjusted to be substantially in accordance with the concept applied to General Fund support activities." This concept is to make an adjustment for workload and price increases to the estimated 1966-67 expenditures and then to deduct 10 percent from this total. These adjustments have not been made in this budget as suggested by the footnote, but we understand that such adjustments will be made.

Based on past budget presentations and projected workload, we expected that the department's workload increase, exclusive of the Automated Management Information System (AMIS), for 1967-68 would be approximately \$3.7 million. This would have resulted in a budget request by the department of approximately \$55.7 million, exclusive of AMIS.

The proposed budget amount, exclusive of AMIS, is \$52.6 million. The workload augmentation of \$1.3 million for conversion in the Division of Drivers Licenses to AMIS is attributable only to this conversion and cannot be related to the workload growth of the department. Therefore, the effect of the proposed budget is to reduce the expected 1967-68 workload budget of the department by approximately \$3.1 million or 5.6 percent.

*Therefore, we are not able to make a recommendation regarding the proposed overall level of expenditures until we have information from the department indicating where adjustments will be made to compensate for what is, in effect, a 5.6 percent budget reduction.*

The comments and recommendations that follow relate to specific functions which are divided into three major areas, highway safety, service to the motoring public and tax collection. Highway safety functions include drivers licensing and certificate issuance, post-licensing control, and information services. Public service functions include vehicle registration, financial responsibility, compliance services and public information. Tax functions include the collection of special fund and General Fund revenues.

## Highway Safety

The department contributes to highway safety by establishing minimum standards for drivers and special equipment operators, by taking certain actions with regard to negligent drivers, and by providing information necessary for the policing of traffic violators. We cannot recommend approval of any budget adjustments which would reduce the department's effectiveness relative to highway safety, particularly

Department of Motor Vehicles—Continued

at a time when the department should be aggressively seeking more effective ways to help reduce highway deaths.

Drivers Licensing and Certificate Issuance

Drivers licensing and certificate issuance is needed to assure that all drivers have the minimum skills, knowledge and physical ability essential for safe operation of motor vehicles or special equipment on the highway. The department's Division of Drivers Licenses and Division of Field Offices establish standards and test for knowledge of "rules of the road," physical ability and driving skill.

All applicants for drivers licenses are required to appear in person at one of the department's offices. The applicants are then given a written test, or if necessary an oral test, and a vision test. A driving test is required of all original or late renewal applicants. A report of physical examination is required for licenses to drive large trucks or buses. Original drivers licenses are generally issued for a three-year period and renewals for a four-year period; however, the department may shorten the period depending upon the driver's record or any other reason which the department feels would be in the interest of safety.

The department, in cooperation with the highway patrol, issues special certificates to schoolbus drivers, ambulance drivers, drivers of farm labor vehicles and special construction equipment operators. Growth of drivers' licenses workload is shown in Table 3.

Table 3  
Growth of Drivers' License Workload

	<i>Actual</i> 1965-66	<i>Estimated</i> 1966-67	<i>Proposed</i> 1967-68
Original licenses -----	684,528	705,000	725,000
Renewal licenses -----	2,139,949	1,723,000	2,315,000
Duplicate licenses -----	277,099	330,000	360,000
Total license issuance -----	3,101,576	2,758,000	3,400,000
Drivers' licenses outstanding -----	10,122,637	10,729,000	11,299,000

The department in past years has based its budget request upon workload projection. The two most important indicators of workload for the department are drivers licenses and registration. Generally, new positions are based on historical standards, that is, a standard which applies the rate of work which the department's employees have accomplished in the past to the new workload projections. Each division submits functional activity reports showing the number of man-years required to process a given number of repetitive transactions. The department then makes estimates of workload and determines the number of man-years required for each job.

During 1966-67 the department is applying engineered standards to approximately 800 employees of the General Operations Section of the Division of Drivers Licenses. These standards indicate how much work should be accomplished by an employee rather than how much has been accomplished in the past. Currently, five of the department's employees are assigned to the work measurement program. Because of the rapidly changing requirements in the Division of Drivers Licenses, largely

**Department of Motor Vehicles—Continued**

brought about by conversion to electronic data processing, the department has not been able to expand this program with this staff. The department has been able to accomplish approximately a five percent savings compared to the historical standards, through December of the current fiscal year. Because the department's budget does not show an amount to reflect increased workload, we cannot estimate the savings which would result by applying these engineered standards to their budget request. However, it is apparent that savings are possible and that the use of engineered standards could be extended to additional departmental activities.

*We recommend that additional positions be converted to the work measurement program so it may be expanded.*

The department has requested a \$1,324,729 augmentation to cover the cost of the peak workload for the second phase of conversion of drivers license files to the electronic data processing system (AMIS). We support the department's conversion to AMIS, and we will discuss the program in more detail later in the analysis.

*We recommend approval of the proposed \$1,324,729 augmentation for drivers license conversion to AMIS.*

**Postlicensing Control**

Driver safety does not end with the issuance of a drivers license. There is a continual need to enforce safe driving practices and to improve the driving habits and skills of all drivers, especially the small percentage of drivers whose driving record indicates that they are a great hazard to public safety, and to remove from the road those who are unable to operate a motor vehicle safely.

The department has both mandatory and discretionary responsibilities with regard to licensed drivers. The law requires that the department revoke the license of those drivers convicted of certain offenses such as manslaughter, driving under the influence of narcotics, hit-and-run, three convictions of reckless driving in a year and any felony in the commission of which a motor vehicle is used. These laws also apply to juvenile offenders. In addition, juvenile courts may order the department to suspend or revoke the license of juvenile offenders with speeding or auto theft convictions.

The department must also suspend or revoke the license of a person convicted of drunk driving (the court may recommend against suspension for the first conviction). The Implied Consent Law (Chapter 138, Statutes of 1966) requires the department to suspend the license of a suspected drunk driver who refuses to submit to a blood alcohol test and a hearing on the suspension must be granted if requested.

The department has specific discretionary authority to take action concerning the driving privileges of individuals who, because of traffic convictions or accident experience, are classified as negligent operators. The law defines as a prima facie negligent operator any person whose driving record shows a violation point count of 4 or more points in 12 months, 6 or more points in 24 months, or 8 or more points in 36 months. The department issues warning letters to those who are on the verge of accumulating a negligent operator point count. Those

Department of Motor Vehicles—Continued

who are classified as negligent operators may be called in for interviews, reexaminations, hearings or group meetings.

Table 4 is a summary of the actions taken during 1965-66 fiscal year. Table 5 shows the growth of the Driver Improvement Section of the Division of Drivers Licenses which is primarily responsible for post-licensing control.

Table 4  
Driver Improvement and Control—1965-66

Actions taken	Discretionary		Mandatory
Warning notices -----	65,012	--	--
Interviews and hearing held -----	131,221	--	--
Reexaminations -----	11,160	--	--
Persons called to group meetings -----	12,411	--	--
Placed on probation -----	36,319	--	--
Licenses suspended -----	34,421	--	57,769
Licenses revoked -----	24,905	--	13,052
Licenses refused -----	128	--	--
Licenses cancelled -----	2,414	--	7,129
Reinstatements -----	--	99,325	--
Persons affected by program -----	317,991	99,325	77,950
<i>Discretionary actions by cause</i>	<i>Probations</i>	<i>Suspensions</i>	<i>Revocations</i>
Failure to appear in court -----	--	8,606	94
Failure to appear for reexamination -----	--	2,257	--
Failure to surrender license -----	--	2,141	--
Fraudulent application -----	2	35	3,366
Habitual drunkard -----	579	16	846
Hit and run -----	394	4,663	--
Junior driver -----	5	2,523	1,099
Lack of knowledge or skill -----	--	--	874
Lapses of consciousness -----	1,731	47	1,823
Manslaughter -----	--	10	--
Mental disability -----	320	6	520
Negligent driver -----	31,106	13,540	12,730
Physical disability -----	786	21	1,187
Reckless driver -----	27	315	--
Unlawful use of license -----	12	64	660
Use or possession of drugs -----	1,337	40	1,230
Violation of restrictions -----	20	137	476
Total -----	36,319	34,421	24,905

Table 5  
Driver Improvement Section

	Actual 1965-66	Estimated 1966-67	Proposed 1967-68
Man-years -----	178.7	191.8	191.8

The department is now in the second phase of a comprehensive evaluation program designed to indicate the most effective means of driver improvement, while continuing to operate its program along established patterns until the results of this study are known. There are, however, certain indications that the existing program may not be producing results commensurate with the effort.

Currently, the general practice of the department is to call in for a hearing only those drivers who have reached a five-point count, that is only 40 to 50 percent of the drivers who could legally be classified



**Department of Motor Vehicles—Continued**

as negligent. Therefore, the department is fulfilling only part of its discretionary authority with regard to negligent operators. The department must decide whether or not its driver improvement program is effective. If the program is effective, it should be applied to all negligent drivers. The department should demonstrate how this can be accomplished, but it has not made proposals for a change in the program and the budget does not include additional staff which would enable the department to expand this program to all negligent drivers. The budget does not propose additional staff or program changes to maintain the existing level of the program in the face of rising workload.

We recommend that steps be taken to improve the effectiveness of this program.

**Information**

A source of information relating to motor vehicles and drivers is necessary for enforcement of the provisions of the Vehicle Code. This information is collected through the department's licensing and registration programs. Additional information is received from court abstracts of convictions for violation of vehicle code statutes. The department provides this information without charge to various governmental law enforcement agencies. Conversion of the department's records to electronic data processing will greatly improve the department's ability to provide timely information.

**Public Service**

In addition to promoting safety on the highway, the department performs a public service by registering vehicles, providing information, administering financial responsibility laws, and regulating various aspects of the motor vehicle industry.

**Motor Vehicle Registration**

Motor vehicle registration provides a means for identifying vehicles, assuring ownership and facilitating the transfer of title. Registration is also necessary for information purposes related to highway safety and for collection of motor vehicle taxes.

The growth of motor vehicle registration is shown in Table 6.

**Table 6**  
**Growth in Vehicle Registration**

	<i>Actual</i> 1965-66	<i>Estimated</i> 1966-67	<i>Estimated</i> 1967-68
New vehicles -----	1,150,290	1,130,000	1,130,000
Nonresidents -----	345,265	330,000	326,000
Renewals -----	10,070,243	10,550,000	10,930,000
Total registration -----	11,565,798	12,012,000	12,386,000

**Financial Responsibility**

The financial responsibility laws, administered by the Division of Drivers Licenses, require proof of financial responsibility only after an accident. These laws attempt to assure that those persons who are injured or receive damages as the result of motor vehicle accidents are

Department of Motor Vehicles—Continued

able to receive their just compensation. Each driver, irrespective of culpability, involved in an accident involving bodily injury or damage in excess of \$100 is required to file a report with the department. The driver must then demonstrate his financial responsibility or post sufficient security with the department to meet any judgments which he might incur. If the driver fails to comply with these laws his drivers license and vehicle registration are suspended.

During the fiscal year 1965-66, the department received 723,852 reports of accidents. Of this total, 89.9 percent established insurance, 1 percent deposited security and 4.5 percent established other exemptions. Total compliance with the law was 95.4 percent.

Chapter 1148, Statutes of 1965, required the Department of Motor Vehicles to make a study of compulsory insurance, financial responsibility and other methods of meeting the cost of injuries and damages sustained in traffic accidents. The department submitted this report to the Legislature in December 1966. The department is planning on forwarding an additional 11 volumes covering the results of the studies of financial responsibility programs in a number of different states and Canadian provinces and one with the details of a plan for compensation without regard to culpability. Any legislation which results from this study could affect the role of the department.

Financial responsibility workload and the size of the Financial Responsibility Section is shown in Table 7.

Table 7  
Financial Responsibility

	<i>Actual</i> 1965-66	<i>Estimated</i> 1966-67	<i>Proposed</i> 1967-68
Workload:			
Reports of accidents -----	723,852	772,488	808,488
Financial Responsibility Section Man-years -----	178.7	191.8	191.8

Compliance Services

The Compliance Services Section of the Department of Motor Vehicles is responsible for the occupational licensing and regulating of vehicle dealers, manufacturers, transporters, salesmen, dismantlers and driving schools. Occupational licensing is intended to provide protection to the motor vehicle customer, to prevent and suppress illegal activities relating to motor vehicle transactions, and to facilitate collection of state revenues. The object of this program is to insure that all individuals engaged in these businesses meet minimum qualifications as to moral character, financial responsibility and suitability of business facilities.

Table 8 shows the size and growth of the Compliance Services Section staff.

Table 8  
Compliance Services Staff

	<i>Actual</i> 1965-66	<i>Estimated</i> 1966-67	<i>Proposed</i> 1967-68
Man-years -----	283.5	310.2	310.2

## Department of Motor Vehicles—Continued

## Public Information

Certain information from the vehicle registration and drivers license files is available to the public. This is furnished to private citizens and companies or corporations for a minimum charge of 30 cents per individual search or for a cost equivalent to the cost of producing the information.

A small percentage of the requests come from individuals or bonded employees of search companies who come to specific public counters in the department and are given the information without charge. The free service is limited to one request per hour per requestee.

In the 1965-66 fiscal year there were 100,862 free requests, over the Drivers License counter, 75,409 from searching companies and 25,453 from individuals which the department classifies as the public. At 30 cents per search this would amount to \$32,586 in revenues.

*We recommend that a charge be made for fulfilling all public information requests, and an equivalent increase be shown in reimbursements.*

The department is reimbursed for information it provides with regard to the aid to needy children program. This information is provided to counties in locating fathers who do not support their families. Table 9 shows the reimbursements received by the department for public information.

Table 9  
Public Information Reimbursements

	Actual 1965-66	Estimated 1966-67	Proposed 1967-68
Sale of accounting copies of drivers license applications -----	\$27,681	\$27,700	\$27,700
Drivers license information service-----	1,862,216	1,992,400	1,992,400
Vehicle information and sale of records--	139,149	144,000	144,000
Aid to needy children program-----	26,693	32,200	32,200
Field office operations information service -----	10,189	10,600	10,600
Total Reimbursements for public information -----	\$2,065,928	\$2,206,900	\$2,206,900

It can be seen in Table 9 that the proposed reimbursements for 1967-68 are the same as those estimated for 1966-67.

*We recommend a budget reduction of \$97,000 to reflect a more realistic appraisal of reimbursements.*

We have examined the department's budget request over several years and find that this is the first time the department has held its proposed reimbursements equal to the estimated current year reimbursements for public information. The department's budget request, therefore, seems to indicate that the amount of public information which the department will provide during the budget year will be equal to the current year. This is totally unrealistic as there has been a secular upward trend in these reimbursements, especially in drivers license information service. Based on this trend and on the department's material which supports the budget request, we estimate that the reimbursements for public information should be \$97,000 greater, and the department's budget request should be reduced by that amount.

Department of Motor Vehicles—Continued  
Automated Management Information System (AMIS)

In January 1966, the department published a comprehensive report entitled "An Automated Management Information System for the State of California Department of Motor Vehicles." This report proposes the basic automation of the processes and files of both the Division of Registration and the Division of Drivers Licenses by the close of the 1969-70 fiscal year.

The report outlines the proposed schedule for conversion to AMIS and outlines the costs and savings over a 10-year period. On the basis of the report, the Legislature approved the department's 1966-67 phase of conversion. During the current year (1966-67) the department is proceeding with the major installation for the automation of drivers licenses. In addition, vehicle registration programs are being compiled and tested on equipment which has been added to the drivers license system in preparation for conversion to the new system on an orderly basis.

The report on which the Legislature based its approval called for installation of the main equipment for registration in July of 1967. Completion of the basic automation of vehicle registration, including replacement of the present Los Angeles license number file, would take place during 1967-68.

The department's budget presentation shows a program augmentation of \$1,324,729 proposed to cover the cost of the peak workload for the second phase of the conversion of drivers license files to AMIS. We have recommended approval of this augmentation. However, this budget does not include the scheduled installation of the main equipment for the Division of Registration.

*We recommend a budget augmentation of an estimated \$1,300,000 necessary to accomplish the conversion in the Division of Registration in accordance with the schedule presented to and accepted by the Legislature.*

We are unable to find evidence which would affect the validity of the decision to go ahead with the conversion of the registration function in accordance with the schedule presented to the Legislature in 1966. Table 10 shows the net cost or saving over a 10-year period which will result from the conversion of the department's licensing and registration activities. These figures, compiled by the department in January of 1967, indicate a substantial savings resulting from this conversion.

Table 10  
Estimated Annual Additional Cost or Saving Due to AMIS

Year	Net Additional Cost (+) or Savings (—)
1966-67	\$ + 4,686,946
1967-68	+ 6,219,912
1968-69	+ 4,634,989
1969-70	+ 828,076
1970-71	- 1,432,756
1971-72	- 1,865,519
1972-73	- 2,432,540
1973-74	- 3,987,432
1974-75	- 5,466,494
1975-76	- 6,643,641

## Department of Motor Vehicles—Continued

The conversion of the registration function will result in savings in both the Division of Registration and the Division of Field Offices. The present worth of these savings at 4-percent annual interest is \$253,000 for the first 10 years, and the annual savings will be at least \$1.8 million thereafter. This does not include the resale value of the existing data processor or savings attributable to a reduction in file space.

Additional benefits will be gained by adhering to the proposed schedule for conversion. Conversion of both registration and drivers licenses to *one system* will permit each to act as a backup to the other and will greatly facilitate the flow of information necessary to both management and other users.

The Legislature established through Chapter 1595, Statutes of 1965, a California Law Enforcement Telecommunications System (CLETS). This statute says in part, "The state has an unmistakable responsibility to give full support to all public agencies of law enforcement. This responsibility includes the provision of an efficient law enforcement communication network available to all such agencies. It is the intent of the Legislature that such a network be established and maintained in a condition adequate to the needs of law enforcement."

Based on existing information requests, the CLETS committee estimates that at least 75 percent of the information flow on this network will originate from the Department of Motor Vehicles. This information will be divided approximately equally between drivers licenses and registration. The early conversion of both drivers licenses and registration to AMIS will greatly increase the potential benefit of this law enforcement communication network.

## Tax Collection

The department collects taxes and fees related to motor vehicle registration and drivers licensing. These fees and taxes are shown in Table 11.

The department also collects motor vehicle use (sales) tax for the State Board of Equalization. This tax is placed in the state's General Fund. Vehicles sold between private individuals or purchased out of state are subject to collection of a 4-percent tax payable at the time transfer of ownership or registration application is made to the department. The revenues and the department's cost of administration are shown in Table 12.

Table 11  
Motor Vehicle and Motor Vehicle License Fee Funds

Motor Vehicle Fund	Actual 1965-66	Estimated 1966-67	Proposed 1967-68
Revenues:			
Motor vehicle registration, weight fees and drivers' license-----	\$195,404,713	\$211,500,000	\$234,300,000
Investments and other -----	3,480,998	3,444,138	3,658,750
Total revenues -----	\$198,885,711	\$214,944,138	\$237,958,750
Expenditures:			
Support and Capital Outlay			
Department of Motor Vehicles	\$39,682,315	\$50,572,519	\$48,187,594
Highway Patrol -----	55,600,284	76,659,124	79,402,295

**Motor Vehicles**

**Item 231**

**Department of Motor Vehicles—Continued**

**Table 11—Continued**

**Motor Vehicle and Motor Vehicle License Fee Funds**

Motor Vehicle Fund—Continued	<i>Actual</i> 1965-66	<i>Estimated</i> 1966-67	<i>Proposed</i> 1967-68
<b>Expenditures—Continued</b>			
Support Transportation Agency			
Administrator -----	62,454	79,106	79,905
Other, including loan repayment	8,031	7,943	3,139,093
<b>Total expenditures -----</b>	<b>\$95,353,084</b>	<b>\$127,318,696</b>	<b>\$130,808,887</b>
Transfers to Highway Users' Tax Fund -----	\$98,700,000	\$79,000,000	\$80,000,000
<b>Motor Vehicle License Fee Fund</b>			
Revenues :			
Vehicle License Fees -----	\$189,080,081	\$195,036,516	\$205,110,025
Expenditures :			
Support Department of Motor Vehicles -----	\$6,070,847	\$6,546,581	\$6,585,311
Apportionment to cities and counties -----	182,525,241	188,200,000	196,700,000
Other -----	4,157	61	--
<b>Total expenditures -----</b>	<b>\$188,600,245</b>	<b>\$194,746,642</b>	<b>\$203,285,311</b>

**Table 12**  
**Use Tax**

	<i>Actual</i> 1965-66	<i>Estimated</i> 1966-67	<i>Proposed</i> 1967-68
Use tax collected -----	\$18,695,410	\$20,000,000 *	\$20,000,000 *
Department's cost of collection -----	\$669,396	\$742,500	\$742,500

\* Our estimate.

**POLICY OPTIONS**

**Additional Fee for Late Drivers License Renewal**

Late applications for renewal of drivers licenses, that is 90 days after expiration of the license, are considered as applications for original licenses. This means the department administers the driving test and limits the term of the license to three years. The cost of processing a late renewal application is considerably greater than the cost for an ordinary renewal because the driving test is not normally given on a renewal application. A study by the department in 1962 indicated that the cost, at that time, for processing a drivers license with a driving test was \$4.42. The current fee for a drivers license is \$3. During the 1965-66 fiscal year there were 230,988 late renewals, that is 10.8 percent of the total renewals. At the 1962 cost figures, this represents a loss to the department of \$328,000. The department now may give a shortened driving test for late renewals which would reduce the cost; however, we believe the cost is still in excess of \$3 and that the department should make recommendations to change Section 14900 of the Vehicle Code to permit charging a fee for late renewal drivers licenses which is at least sufficient to cover the cost.

**Adjust Occupational License Fees to Cover Cost**

The object of issuing licenses to vehicle dealers, manufacturers, transporters, salesmen, dismantlers and driving schools is to insure that all individuals engaged in these businesses meet minimum qualifi-

Department of Motor Vehicles—Continued

cations as to moral character, financial responsibility and suitability of business facilities. We believe that the cost of licensing should be borne by the licensee. The department has submitted the following rough estimates of cost and revenue for the 1965-66 fiscal year.

	<i>Cost</i>	<i>Revenue</i>
Vehicle dealers, transporters, manufacturers, and dismantlers -----	\$1,354,606	\$648,940
Vehicle salesmen -----	\$331,411	\$402,135
Driving schools and instructors -----	\$64,518	\$19,938

It must be emphasized that these costs are only first approximations and may include items which cannot be related to the licensing function; however, they do indicate that the license fees may not be sufficient to cover the cost of issuance. We recommend that the Legislature direct that revenue from license fees be at least equal to the cost of administering the program and that the department make an accurate determination of these costs.

**DEPARTMENT OF MOTOR VEHICLES**

ITEM 232 of the Budget Bill

Budget page 794

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

Amount requested-----	\$6,858,311
Estimated to be expended in 1966-67 fiscal year-----	6,546,581
<hr/>	
Increase (0.6 percent)-----	\$38,730

**TOTAL RECOMMENDED REDUCTION-----** None

**ANALYSIS AND RECOMMENDATIONS**

The amount of \$6,585,311 is proposed to reimburse the department for its administrative costs in connection with the Motor Vehicle (in lieu) Tax, Vehicle License Fee Law (Section 11003, Revenue and Taxation Code). Discussion of this activity is included in our analysis of the Department of Motor Vehicles beginning on page 832.

*We recommend approval.*

**DEPARTMENT OF MOTOR VEHICLES**

ITEM 233 of the Budget Bill

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

Amount requested-----	\$350,000
Amount allocated to date for-----	None

**TOTAL RECOMMENDED REDUCTION-----** None

**ANALYSIS AND RECOMMENDATIONS**

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 the appropriation. Because the de-

Department of Motor Vehicles—Continued

partment is prohibited by statute from creating a deficiency, the Legislature, since 1948, has provided an annual appropriation to cover any unforeseen circumstances which can occur in an agency of this size. 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.

*We recommend approval of the item as budgeted.*

**Department of Public Works  
DIVISION OF HIGHWAYS**

ITEM 234 of the Budget Bill

Budget page 818

**FOR SUPPORT OF HIGHWAY SAFETY RESEARCH FROM  
THE MOTOR VEHICLE TRANSPORTATION TAX FUND**

Amount requested .....	\$250,000
Estimated to be expended in 1966-67 fiscal year .....	255,000
<hr/>	
Increase (2.0 percent) .....	\$5,000
<b>TOTAL RECOMMENDED REDUCTION</b> .....	None

**GENERAL PROGRAM STATEMENT**

The objective of this program is to develop the basic data related to the possibility of reducing traffic accidents and fatalities. Chapter 2110, Statutes of 1961, appropriated \$100,000 from the State Highway Fund to initiate a long-range program of research and highway safety. Since 1964, this program has been financed from the Motor Vehicle Transportation Tax Fund. The research is carried on under the general direction of the Department of Public Works by the Division of Highways, Department of California Highway Patrol, Department of Motor Vehicles, and the University of California Institute of Transportation and Traffic Engineering.

**ANALYSIS AND RECOMMENDATIONS**

Table No. 1 is a summary of the proposed 1967-68 highway safety research projects. All of these projects are a continuation of previously funded projects.

**Table No. 1  
Highway Safety Research Projects 1967-68**

	<i>Funds previously authorized</i>	<i>Proposed 1967-68</i>	<i>Estimated additional to complete project</i>
Young driver followup .....	\$50,800	\$23,200	\$21,300
Alcohol level and driving performance	57,930	21,360	None
Second single car accident followup	6,000	34,000	None
Driving ability as affected by age	9,010	29,590	29,700
Prediction of accident liability	8,000	16,000	16,000
Influencing driving behavior through classroom films .....	30,000	10,000	10,000
Mechanical factors in fatal single- vehicle motor vehicle accidents	19,500	10,000	None
Relation of roadway elements to acci- dents .....	*	52,000	*
Effectiveness of warning letters in acci- dent and violation reduction	11,000	9,000	None

\* Continuous area of research.



Division of Highways—Continued

Table No. 1—Continued  
Highway Safety Research Projects 1967-68

	<i>Funds previously authorized</i>	<i>Proposed 1967-68</i>	<i>Estimated additional to complete project</i>
Analysis of accident literature-----	5,000	5,500	†
Long-trip driving habits of California drivers -----	85,500	38,000	37,600
Contingency -----		1,350	
Total -----		<u>\$250,000</u>	

† Undetermined.

For the past several years the federal government has reimbursed this program at the rate of 83 percent of the total amount appropriated by the state. We expect the federal contribution to continue.

*We recommend approval of this budget item as proposed.*

**Department of Public Works  
DIVISION OF AERONAUTICS**

ITEM 235 of the Budget Bill

Budget page 820

**FOR SUPPORT OF THE DIVISION OF AERONAUTICS  
FROM THE AERONAUTICS FUND**

Amount requested -----	\$196,120
Estimated to be expended in 1966-67 fiscal year-----	200,944
Decrease (2.4 percent)-----	<u>\$4,824</u>

**TOTAL RECOMMENDED REDUCTION----- Unresolved**

**Summary of Recommendations**

Since workload adjustments have not been made in this budget and because we anticipate further adjustments by the division, a recommendation on the overall level of expenditure proposed by this budget is not meaningful at this time. Our analysis of the overall budget and specific adjustments to be proposed is pending the development of additional information by the division.

**GENERAL PROGRAM STATEMENT**

The Division of Aeronautics of the Department of Public Works is administered by a director who is appointed by the California Aeronautics Board. This board, originally the California Aeronautics Commission created by Chapter 1379, Statutes of 1947, was established by Chapter 2071, Statutes of 1961 which also established the division within the Department of Public Works. The board consists of five members appointed by the Governor with the consent of the Senate for four-year terms. The general purpose of the division, as stated in the statutes, is to "encourage, foster, and assist in the development of aeronautics in this state and encourage the establishment of airports and air navigation facilities. It shall cooperate with and assist the federal government, political subdivisions of this state, and others in the development of aeronautics, and shall seek to coordinate their aeronautical activities."

## Division of Aeronautics—Continued

The operation of the division is largely related to recreational and noncommercial aviation and users of small airports, and does not generally affect users of large metropolitan airports and commercial carriers. The regulation of common carriers is a function of the federal government and to some extent the State Public Utilities Commission. Approximately 5 percent of all intercity transportation in California is handled by commercial airlines and the intercity passenger transportation produced by general aviation is negligible. In terms of overall transportation, general aviation makes a very small contribution to the total movement of goods and people in California. There is, however, a demand for general aviation facilities, and therefore, there is a need to plan and coordinate the development of a system of general aviation airports which will best serve the interests of the state and will minimize the conflicting use of land and space that can result from the haphazard placement of these facilities.

The Department of Public Works has the prime responsibility for developing the state highway system and along with the Department of the California Highway Patrol and the Department of Motor Vehicles constitutes the state's transportation agency. The current examination of the proper role of the transportation agency by both the Legislature and the administration should take into account the role of the state with regard to air transportation and the proper location in state government of the Division of Aeronautics.

The division is supported by the Aeronautics Fund. Chapter 2028, Statutes of 1965, established a 2 cent tax on fuel purchased by general aviation aircraft (common carrier aviation and agricultural aviation are exempt) to be used, after payment of administrative costs of collection, for the support of the division from the Aeronautics Fund and for support of the Airport Assistance Revolving Fund which is available for the purpose of assisting cities, counties and airport districts which own an airport under a valid permit issued by the division. Prior to September 17, 1965, the division was financed primarily by appropriations from the General Fund and by a \$15,000 appropriation from the Airport Assistance Fund.

Table 1 summarizes the growth of the division from the 1963-64 fiscal year through the 1967-68 budget year.

Table 1  
Division of Aeronautics  
1963-64 through 1967-68

	<i>Actual</i>			<i>Estimated</i>	<i>Proposed</i>
	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>
Man-years -----	7.3	7.9	8.4	10.9	10.9
Support:					
General Fund -----	\$115,810	\$126,952	\$33,435	--	--
Aeronautics Fund -----	--	--	135,659	\$200,944	\$196,120
Airport Assistance Revolving Fund -----	6,051	15,000	3,205	--	--
Motor Vehicle Fuel Fund *	9,486	--	--	--	--
Total support -----	\$131,347	\$141,952	\$172,299	\$200,944	\$196,120

\* For compilation of aeronautical charts and airport directory.

## Division of Aeronautics—Continued

## ANALYSIS AND RECOMMENDATIONS

Table 1 indicates a reduction of proposed expenditures from the current year 1966-67 to the budget year of \$4,824. This figure results from a \$3,954 increase in the cost of personal services and a \$8,778 decrease in the purchase of equipment. A footnote to the proposed 1967-68 budget reads, "Expenditures in this budget have been adjusted to be substantially in accordance with the concept applied to General Fund support activities." This concept is to make an adjustment for workload and price increases to the estimated 1966-67 expenditures and then to deduct 10 percent from this total. Although we understand such adjustments will be made, they have not been made in this budget as suggested by the footnote.

*Because workload adjustments have not been made in this budget and because we anticipate further adjustments by the division, a recommendation on the overall level of expenditure proposed by this budget is not meaningful at this time.*

The division has not established adequate workload indicators and handles most of its work on a "project basis." These projects may last from a few minutes to several days. No project time reporting system is employed by the division. Many of the projects, especially the promotion, consultation, and information services which are not required by the statutes are performed on a time available basis. We believe it is important for the division to develop reasonable and realistic indicators of workload and data which would relate the cost of projects performed to the benefits derived so that budget requests can be justified in a more objective manner.

The division has broadly defined and largely permissive responsibilities for the continuing development and regulation of airports and heliports. It conducts inspection of existing airports and heliports, makes inspections and feasibility studies on proposed airports and heliports, participates in studies and hearings effecting airport zoning and airspace utilization, provides assistance and information on airport and heliport engineering, specifications and design criteria, and provides assistance and information on the management and operation of airports and heliports. Based on data supplied by the division, we estimate that 85 percent of the time and expenditure of the division is related to the development and regulation of airports.

Two important aspects of this activity are the issuance of permits to airports and the allocation of funds from the Airport Assistance Revolving Fund. Every publicly owned airport or one open for public use must have a permit issued by the division. There are 367 airports and 98 heliports which have a state issued permit, of which 28 airport and 24 heliport permits were first issued in the past fiscal year. In addition, there are over 200 private airports shown on the state aeronautical chart. The division endeavors to make an annual survey of each permitted airport to insure that these airports maintain the minimum qualifications for a permit and to survey the private airfields to ascertain that they are safe for use in emergency conditions.

Division of Aeronautics—Continued

Each publicly owned airport with a permit by the division may receive aid from the Airport Assistance Fund. Chapter 1563, Statutes of 1965, provides that after July 1, 1967, the Airport Assistance Funds shall not be expended on airports if the Division of Aeronautics determines that airspace control provisions are not considered adequate. The first allocation of the funds is a mandatory \$2,500 on a matching basis to each qualifying airport. Prior to 1965 there were insufficient funds to make a full allocation to each qualified airport. The establishment of a two cent tax on general aviation fuel adds approximately \$2 million annually to the Airport Assistance Revolving Fund which is sufficient to make the mandatory \$2,500 allocation and to make subsequent allocations for airport development based on priorities and criteria established by the division. The division has established these priorities:

(a) The first priority is given to the preservation and acquisition of irreplaceable existing aircraft landing facilities in urban areas in danger of being lost.

(b) Second priority is given to the development of new, additional aircraft landing facilities in areas of greatest need, that is:

(1) Large geographical areas with no "air accessibility."

(2) Additional new sites in crowded urban areas where aircraft landing facility sites are rapidly becoming nonexistent.

(c) Third priority is given to projects at existing aircraft landing facilities where critical need is fully demonstrated. Projects must provide benefits associated with aircraft landing facilities utilization on a statewide basis.

Table 2 shows the subventions for public work airport assistance. Approximately \$420,000 of the amount shown is for the mandatory allocations.

Table 2  
Subventions for Public Work Airport Assistance

	<i>Actual</i> 1965-66	<i>Estimated</i> 1966-67	<i>Estimated</i> 1967-68 .
Amount -----	\$415,552	\$1,250,000	\$1,900,000

The division is required to make an inspection of proposed new school sites or school expansion within two miles of an airport boundary. If the division submits an unfavorable recommendation to the Department of Education, state funds may not be used for the acquisition or development of the school site. During 1965-66 the division inspected 82, of which 8 received an unfavorable recommendation. Chapter 1617, Statutes of 1965, also requires the Division of Aeronautics to make studies and report on land acquisition by state agencies for state facilities in the vicinity of airports.

The division also has responsibility for issuing permits for landing areas used in parachute jumping activity. In carrying out this responsibility, the division inspects landing areas, coordinates land use with landowners, public entities, and private individuals. The division also coordinates parachute jumping activities with law enforcement agencies, establishes parachutists' qualifications and insurance stand-

Division of Aeronautics—Continued

ards for parachutists as well as aircraft use and parachute jumping activity. During 1965-66 the division issued 59 permits for landing areas.

DEPARTMENT OF VETERANS AFFAIRS

ITEMS 236 and 237 of the Budget Bill

Budget page 822

FOR SUPPORT OF THE DEPARTMENT OF VETERANS AFFAIRS FROM THE GENERAL FUND AND THE VETERANS' FARM AND HOME BUILDING FUND

Amount requested in Budget Bill .....		\$904,855
Budget request before identified adjustments .....	\$938,050	
Increase to recognize full workload change .....	47,020	
	<hr/>	
Budget as adjusted for workload change .....	\$985,070	
Adjustment—undetailed reduction (10 percent) * .....	80,215	

\* 10 percent reduction based on General Fund support budget of \$802,145.

RECOMMENDED REDUCTION FROM WORKLOAD BUDGET.....	\$28,360
BALANCE OF UNDETAILED REDUCTION—REVIEW PENDING	\$51,855

	<i>General Fund Amount</i>
<b>Summary of Recommended Reductions</b>	
2 Veterans representatives .....	\$18,336
1 Intermediate typist-clerk .....	4,638
0.5 Intermediate stenographer .....	2,490
Staff benefits .....	2,896

GENERAL PROGRAM STATEMENT

The Department of Veterans Affairs administers all of the programs (including the operation of the Veterans' Home which is a separate budget item) that provide benefits to veterans and their dependents who qualify for various categories of benefits according to laws contained in the California Military and Veterans Code. The organizational structure to administer and operate various programs is described briefly as follows.

A California Veterans Board of seven members appointed by the Governor is responsible for formulating broad policies to enable the director and his staff to administer the various programs. There are 13 authorized positions in the Division of Administration including a director, deputy director and a medical deputy director.

The Division of Veterans Services was formed in the current fiscal year by combining the Divisions of Educational Assistance and Service and Coordination. The functions of this new division are as follows:

1. Provide assistance to those veterans who have entered the military service from California and whose educational program has been interrupted thereby, so that they may continue their education. The legal authority for this assistance is in Sections 981 through 981.8 of the Military and Veterans Code.

2. Provide educational assistance to dependents of veterans who wish to continue their education. The basic authority for this assistance is provided in Sections 890 through 899 of the Military and Veterans Code.