

Business and Transportation Agency
 DEPARTMENT OF TRANSPORTATION

Item 178 from the General Fund
 Budget p. 99 Program p. I-599

Requested 1973-74 (new program)	\$5,000,000
Estimated 1972-73.....	—
Actual 1971-72	—
Total recommended reduction	Pending

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS	Analysis page
1. Special Review. No recommendation until other required sources of funding are included together with program details and justification.	384

ANALYSIS AND RECOMMENDATIONS

We recommend that no action be taken on this item until such time as the Business and Transportation Agency includes other required sources of funding, program details and justification.

Chapter 1253, Statutes of 1972, created an entity designated as the Department of Transportation in the Business and Transportation Agency by transferring the present Department of Public Works (approximately 18,000 positions) and the Department of Aeronautics (approximately 24 positions) to a newly constituted department, effective July 1, 1973. The new department is charged with the responsibility of administering the ongoing programs of the Division of Highways and the Department of Aeronautics. The legislation also requires formation of a division of mass transportation and a division of transportation planning. The planning entity will be charged with the responsibility of establishing a comprehensive multimodal transportation planning process.

The department will be required, under specified conditions, to develop a state transportation plan by 1976. Regional transportation entities and councils of government would also be required to develop separate regional plans which will be integrated into the state plan.

The legislation also created the Transportation Planning and Research Account in the State Transportation Fund. While this item as presently drafted contains a \$5 million appropriation from the General Fund, it is our understanding that this item will be augmented by approximately \$14 million (\$13.8 million from the State Highway Account and \$200,000 from the Aeronautics Account). The estimated \$19 million, when appropriated by the Legislature and allocated by the State Transportation Board will be utilized to defray the multimodal expenses of the department's program and also a portion of the expenses incurred by regional transportation planning entities and councils of government in developing regional

transportation plans. The Business and Transportation Agency is developing the details of this program. However, justification material was not completed at the time this analysis was prepared.

State Transportation Board
OFFICE OF TRANSPORTATION PLANNING AND RESEARCH

Items 179-182 from the General Fund, Harbors and Watercraft Revolving Fund, Motor Vehicle Account and Aeronautics Account, in the State Transportation Fund.

Budget p. 101 Program p. I-602

Requested 1973-74	\$497,021
Estimated 1972-73.....	316,490
Actual 1971-72	180,338
Requested increase \$180,531 (57.0 percent)	
Total recommended reduction	Pending

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS	Analysis page
1. Special Review. Withhold recommendation pending revised budget based on Chapter 1253, Statutes of 1972.	385

ANALYSIS AND RECOMMENDATION

We recommend that no action be taken on these items by the Legislature until such time as a revised budget is submitted based on the program changes which will be effective July 1, 1973, pursuant to Chapter 1253, Statutes of 1972.

Currently, the Office of Transportation Planning and Research is established within the Business and Transportation Agency. The major function of the office is to serve as both principal staff to the State Transportation Board and in the same capacity to the Secretary of Business and Transportation in activities related to the growth and development of a balanced transportation system in the state. In fulfilling the latter function, the office undertakes research into the long-range effectiveness of major transportation programs of local, regional, state and federal entities in meeting statewide transportation needs.

In the 1972-73 Analysis of the Budget Bill we concluded that the Office of Transportation Planning and Research is in the difficult position of maintaining a dual role which, on the one hand, involves providing staff services to the agency secretary who is responsible for maintaining an ongoing day-to-day transportation policy, while in its other role the office is expected to provide objective staff input to the State Transportation Board so that the latter may render independent advice and guidance to the agency secretary. Because in our view this dual role was incompatible, we recommended legislation to transfer the staff of the Office of Transpor-

OFFICE OF TRANSPORTATION PLANNING AND RESEARCH—Continued
tation Planning and Research to the State Transportation Board.

Organizational Changes and Role of the State Transportation Board

Effective July 1, 1973, Chapter 1253, Statutes of 1972, will remove the State Transportation Board from the Business and Transportation Agency. In addition, while the Office of Transportation Planning and Research will be abolished, a new office designated as the Transportation Board Office will be created. The new office, unlike its predecessor, will be solely responsible to the State Transportation Board. Removal of the State Transportation Board from the Business and Transportation Agency combined with the availability of an independent staff for the board should provide a setting whereby the board can effectively render independent evaluations and recommendations concerning the many transportation problems which are confronting the state.

As presently drafted, Items 179–182 represent a budget that was predicated on the belief that the passage of Chapter 1253 would not occur. Thus, it is our understanding that the budget is currently being revised to reflect a program that is compatible with the changes made by Chapter 1253. Effective July 1, 1973, the board will be charged with additional responsibilities relating to the review and approval of the State Master Plan for Transportation, the review of the annual budgets of the Department of Transportation and the responsibility to allocate all funds and review the expenditure of all funds appropriated by the Legislature from the State Transportation Planning and Research Account. Thus, in revising the budget, it should reflect the proper mix of not only technical and nontechnical transportation planners, but also include adequate staffing to insure that the board's fiscal responsibilities are effectively administered.

Business and Transportation Agency
DEPARTMENT OF AERONAUTICS

Item 183 from the Aeronautics

Account, State Transportation
Fund

Budget p. 103 Program p. I-608

Requested 1973–74	\$584,364
Estimated 1972–73.....	576,654
Actual 1971–72	1,113,821
Requested increase \$7,710 (1.3 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

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1. Statutory Authority. Recommend department implement its current authority to provide land-use standards for development of land in the vicinity of airports. 388
2. Local Airport Land-Use Commissions. Recommend legis- 388

lation that will strengthen the authority of the commissions in order to assure proper land-use zoning.

GENERAL PROGRAM STATEMENT

The activities of the Department of Aeronautics include encouraging the development of private flying and general use of air transportation, fostering air safety, assisting in the development of a statewide system of airports through financial aid, and providing for cooperative efforts with federal authorities in the development of a national system of civil aviation.

The programs administered by the department to accomplish its stated purposes include: (1) planning, (2) facilities development and construction, (3) support services, (4) administration.

Support of the department is derived from the Aeronautics Account in the State Transportation Fund, which receives revenues generated from a two-cents-per-gallon jet aircraft fuel tax and net revenues of two-cents per gallon attributable to motor vehicle fuel (gasoline) used in propelling aircraft. Any revenue in the account in excess of the amount required for support of the department is allocated to eligible airports for capital improvement projects. After a mandatory allocation of \$5,000 per eligible airport (estimated at \$700,000 for fiscal year 1973-74) the remaining balance is allocated at the discretion of the Aeronautics Board on a project-by-project basis for airport development.

The department's proposed budget contains authorization for 24.9 positions which represents the same number of positions authorized for the current year.

1972 Legislative Action (Effective July 1, 1973)

Under the provisions of Chapter 1253, Statutes of 1972, the department will be integrated into a newly created organization designated as the Department of Transportation. This change will reduce the aeronautics organization from departmental to division status. In addition it is anticipated that some of the planning functions of the department will be transferred to a new Division of Transportation Planning within the new department. While amendments to this item may occur during the budget process, the balance of the budgeted programs currently within the department are expected to be maintained.

ANALYSIS AND RECOMMENDATIONS

AVIATION PLANNING

The department is proposing an expenditure in the budget year of \$79,345 to support its planning effort. The program utilizes 2.1 positions and is divided into four program planning elements.

The first element is designated as "California Aviation System Planning" which is basically the creation of the Statewide Master Plan of Aviation. The project began during the 1968-69 fiscal year and upon completion the master plan will hopefully provide a basis for airport development throughout the state for the subsequent 20-year period. The plan is being developed under contract with a private consultant, with departmental staff providing overall supervision through review of progress

DEPARTMENT OF AERONAUTICS—Continued

reports. The project is in its final phase and will be completed in December 1973. The total contractual cost for the master plan will be \$1,133,766. The state's share will be \$383,849 from the Aeronautics Account, while federal participation will provide \$749,917.

The second and third planning elements, i.e., the "National Airport and Airways Plan" and "The National Transportation Need Study," are integrated activities which are required in order for local airports to receive federal financial aid and/or to determine state needs on a multimodal basis in order that financial needs may be reflected in future federal appropriations.

The fourth element is an attempt to coordinate with county and regional planning entities in order that a proper integration will take place within the state aviation plan.

FACILITIES DEVELOPMENT AND CONSTRUCTION PROGRAM

The objective of this program is to plan for the optimum use of available air space and to provide technical and financial assistance toward the development of general aviation and related navigational facilities. The department advises and assists local airport jurisdictions in airport development programs, site selection, engineering, and safety requirements. The department also reviews plans for proposed public school sites and state building sites to assure that the full utilization of such sites will not be hampered by aviation activities.

During the budget year, the State Aeronautics Board will allocate approximately \$2,870,000 from the Aeronautics Account to assist local airport entities in developing and improving local airport facilities.

Need for Action to Avert Future Tragedies in and around Public Airport Facilities

1. *We recommend that the department implement its existing statutory authority by developing land-use standards relative to permissive and restrictive forms of land-use development in the vicinity of airports.*
2. *We recommend that legislation be enacted that will strengthen the implementation authority of local airport land use commissions in order to assure proper land-use zoning in the vicinity of airports.*

On September 24, 1972, a civilian jet aircraft failed to become airborne at the end of a runway at Sacramento Executive Airport and crashed into a shopping center. Twenty-two persons were killed. This tragedy was contributed to by decisions and actions, or lack of decisions and actions, by several governmental entities over a period of several years. Future tragedies will occur for the same reasons because the elements already exist.

The federal government exercises almost complete control in the area of aircraft operation and flight regulations. However, while the federal government also is the source of funding for the development of airport facilities, it does not engage in a permit process as such, but merely establishes criteria, i.e., airport size, configuration, etc., that must be met before federal funds are granted for the development of an airport facility. Al-

though so-called "clear zones" adjacent to the airport runways are required under certain conditions, the federal government exercises little authority beyond withholding airport funds for noncompliance.

The State Department of Aeronautics is primarily concerned with the development of general aviation (noncommercial). While the department "advises and assists" local airport jurisdictions regarding airport development, site selection, etc., the department exercises virtually no control over land-use (zoning). Such control has historically been a function of local government.

The Legislature has from time to time created various commissions, boards, and authorities in cases where conflicts existed between jurisdictions. However, such bodies are rarely given any real measure of authority. Thus, resolution of conflicts is largely dependent upon mutual cooperation between or among the entities involved.

Chapter 852, Statutes of 1967, mandated the creation of county airport land use commissions. However, while it is evident that at times land-use zoning questions, particularly in relation to airports, are approached from different perspectives, i.e., airport development needs versus general residential and commercial needs, the airport land use commissions have not, for the most part proven to be entities which foster viable solutions.

Although Chapter 852 requires the commission to develop land-use plans in the general vicinity of airports, even cursory examination of Chapter 852 reveals that the commission's ultimate authority is advisory only. In addition (a) all counties are not required to create such a commission and/or (b) the duties of a commission can be integrated into an existent planning function (c) funding of the commission's efforts is a voluntary prerogative of the local jurisdictions and (d) planning is largely confined to new airports or existing airports "to the extent that land in the vicinity of such airports is not already devoted to incompatible uses."

Thus, it is our recommendation that legislation be enacted that would require (a) the creation of county airport land-use commissions in each county or establishment of regional commissions based on logical groupings of counties (b) provide the commissions with sufficient authority to insure proper zoning in the vicinity of airports and (c) provide a source of funding to defray the expenses of the commissions.

Section 21005 of the Public Utilities Code was amended by Chapter 1085, Statutes of 1971, to *permit* the Department of Aeronautics to set standards relative to permitted and restricted forms of land-use development in the vicinity of airports. The standards would subsequently be used by airport land-use commissions. The department is in the process of developing such standards, and should be required to submit them to the Legislature as soon as possible.

Business and Transportation Agency
CALIFORNIA HIGHWAY PATROL

Item 184 from the Motor Vehicle Account in the State Transportation Fund

Budget p. 104 Program p. I-614

Requested 1973-74	\$144,210,756
Estimated 1972-73.....	141,328,887
Actual 1971-72	126,519,705
Requested increase \$2,881,869 (2.0 percent)	
Total recommended reduction	\$5,383

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
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1. *Minor Capital Outlay. Reduce \$5,383.* Recommended deletion of Sacramento paving project. 397

GENERAL PROGRAM STATEMENT

The California Highway Patrol is constituted by the Vehicle Code as a department in the Business and Transportation Agency. The code assigns to the Highway Patrol the responsibility and authority for control and regulation of activities and many physical attributes of all vehicles and equipment legally authorized to use the state's roads and highways. The road network over which the Highway Patrol has jurisdiction is defined as all state freeways whether constructed in incorporated or unincorporated areas and all other roads and highways in unincorporated areas. However, it should be pointed out that the Highway Patrol as a peace officer organization has the authority to act and carry out its normal functions on streets, roads and highways in incorporated areas when the occasion requires or presents itself.

Program Organization

To carry out its mission, the Highway Patrol is organized to implement two broad programs.

The first is the control and surveillance of moving vehicles or vehicles otherwise occupying legal roadways in order to expedite the safe movement of people and goods. This is accomplished by extensive and continuous patrol of the highways by patrolmen in cars and on motorcycles. Patrolmen render aid to distressed motorists, expedite the clearance and removal of damaged vehicles and debris resulting from accidents or otherwise, investigate the causes of accidents and assist in rendering medical assistance to injured people. In addition, patrolmen assist law enforcement agencies and other agencies in both routine and special circumstances. The patrol operates through zone and area offices which are knit together by a sophisticated radio network system permitting constant communica-

tion between department vehicles, vehicles to zone and area offices and ultimately to headquarters with access to information stored in central data banks.

The second broad program is concerned with the enforcement of regulations dealing with the physical characteristics of vehicles and their equipment including inspection of various types of vehicles, equipment, and specified places of business which maintain and service vehicles or sell specified replacement or additive parts and equipment. In contrast with the first broad program, the inspection and regulation activities are not carried out exclusively by uniformed officers but by a mix of officers and nonuniformed civilian specialists. The regulation activities include the testing and approval of devices to be sold in retail stores for installation on vehicles already in use or devices and systems to be included in new vehicles offered for sale.

These two programs are supported by a headquarters operation which provides conventional "housekeeping" administrative services and control. In addition, the headquarters staff provides planning and analysis of systemwide operations and training, through the Highway Patrol Academy located in Sacramento, for new uniformed recruits, including refresher courses for established patrolmen at all levels and, to the extent that time and facilities are available, for traffic and other peace officers of other governmental jurisdictions. The headquarters operation also oversees the central records system which contains information concerning stolen vehicles, accidents, personnel activity on the highways and elsewhere and general data to assist in maximizing the effectiveness of patrolmen on the highway and the other personnel dealing with regulation and inspection. The data are also used in providing management information for significant management decisions.

ANALYSIS AND RECOMMENDATIONS

The budget proposal is approximately a 2-percent increase (\$2,881,869) over the estimated expenditures for the current fiscal year. Principally this represents increased salary levels and increased costs of goods and services. The total authorized roster is proposed to be increased by 86 positions, both uniformed and nonuniformed. These represent principally backup activities since only two or three positions represent increases in the manpower directly or indirectly engaged in the major effort of the department which is the patrol of the highways and the rendering of services to motorists. To some degree the additional positions might be considered an increase in the level of service, but it would be difficult to make a clear distinction. For example 12 new radio dispatcher positions are proposed to implement the expansion of the freeway telephone system in the Los Angeles area where it is anticipated that an additional 1,500 instruments will be installed and the dispatchers are needed to handle incoming calls and dispatch the appropriate assistance.

Additional positions will be used for expanded data processing and updating files which represents essentially workload rather than improvement in level of service. Still other positions represent special programs which are fully reimbursed by the federal government so that the amount

CALIFORNIA HIGHWAY PATROL—Continued

proposed to be appropriated from the State Transportation Fund is a net figure after allowing for the federal reimbursement.

New approaches to the functioning of this department are currently being implemented or under consideration by the new Highway Patrol Commissioner with the general intent of maximizing the effectiveness of the existing roster. The commissioner has directed that uniformed officers not engaged in actual highway patrol should no longer use the necessarily heavier and more powerful type of vehicle normally assigned to patrol. Instead, such individuals will be assigned lower priced and lighter vehicles.

The following discussion of the operations on a program unit basis will include indications of the changes in deployment, utilization techniques and policy.

The two broad programs or "sub-missions" and the administrative back-up described in the foregoing general program statement are delineated in the "program budget" format in the form of six major programs, each of which is divided into two or more subprograms for purposes of demonstrating some form of cost-benefit or cost-activity relationship. However, it should be pointed out that the program segregation does not coincide with the actual physical organization which consists of personnel and equipment deployed in the field acting under the zone and area offices and the personnel and equipment attached to and part of the headquarters operation under basic administration.

The bulk of the departmental manpower operates in the field from six zone offices. Each zone is further divided into numerous area offices, each of which functions as the actual point of manpower deployment. To the extent to which the public makes office contacts with the Highway Patrol, the greatest number of these occur in the area offices. Both patrolmen or other uniformed higher level officers and civilian employees operate in or from these field offices.

**I. TRAFFIC SUPERVISION AND SERVICES ON THE
STATE HIGHWAY SYSTEM**

This major program represents approximately 75 percent of the total departmental expenditures and uses approximately an equal percentage of its uniformed manpower.

However, the second major program, "selective deployment on the county road system," is functionally an integral part of the first program in that the manpower used on patrol of the county road system is interchangeable with that used on the state highway system. Consequently, the two should be considered together in terms of the share of total expenditures and total use of manpower in the department. The two programs together account for approximately 85 percent of the total expenditures of the department and use approximately the same percentage of total uniformed manpower. In addition, these two programs utilize approximately 30 percent of the total nonuniformed manpower of the department. A major portion of this nonuniformed field personnel is directly involved with the patrol, surveillance, accident prevention and road serv-

ices activities by virtue of operating the radio communications system, maintaining and servicing vehicles and handling field reports.

The total proposed for program I for the budget year is \$106,253,405, which includes a pro rata share of administrative support (program IV). This is \$1,706,594 or 1.6 percent more than the \$104,546,451 estimated to be expended in the current fiscal year. Manpower for the budget year is projected at 4,922.3 positions, which is an increase of 18.5 positions more than the 4,903.8 positions estimated to be in service during the current fiscal year (most additional positions are nonuniformed).

These figures cover two subprograms: (a) surveillance and services and (b) accident control. However, the accident control element is to some extent artificial in that it actually represents an after-the-fact accounting for the time field officers spend in contacting violators, writing citations or warnings and otherwise discussing violations with the motorists.

For 1971-72 it is estimated that 56.4 billion vehicle-miles were driven by motorists on the state highway system as compared with 59.2 billion for the current fiscal year, representing an almost five-percent increase, and 62.2 billion for the budget year, about the same increase over the current fiscal year.

"Reportable accidents" for the 1971-72 fiscal year totaled 32,500 representing approximately 6.8 accidents per man. In the current year these are expected to total 33,000 or slightly under 6.7 per man, and in the budget year they are projected to total 33,500, which would be approximately 6.8 accidents per man.

Previously, we mentioned that the manpower for the current fiscal year is estimated at 4,903.8. Of these, 4,157 represents uniformed personnel of whom about 3,821 or 91 percent are used in active "on sight" patrol. In turn it is estimated almost 88 percent of patrol time is on an "on sight" basis with the balance consumed in report writing, court appearances, etc. This appears to be a relatively high "on sight" ratio. It is the department's intent that no concealment be practiced but that the patrol cars and motorcycles be as visible and obvious as possible.

II. SELECTIVE DEPLOYMENT ON THE COUNTY ROAD SYSTEM

This program is divided into two elements which essentially describe the activities of the assigned manpower on so-called high-volume roads in the counties as differentiated from low-volume roads. They are referred to as (A) "accident prevention" (high-volume roads) and (B) "selective enforcement" (low-volume roads). Proposed expenditures for this program are \$17,697,651, which is \$422,287 or 2.5 percent more than the \$17,220,132 that is estimated for the current fiscal year.

With respect to uniformed manpower assignments, while the budget year will approximate the current fiscal year with 713.7 uniformed personnel it should be pointed out that this exceeds the 1970-71 fiscal year by over 22 percent or about 132 positions. This marked increase began to occur in the 1971-72 fiscal year and is continuing through the budget year in recognition of the fact that fully 50 percent of all fatal and injury accidents that occurred on roadways for which the Highway Patrol has responsibility occurred on the county road system where the total vehicle-

CALIFORNIA HIGHWAY PATROL—Continued

miles driven represents about one-half of the vehicle-miles driven on the state highway system. There are almost as many reportable accidents annually on the county road system as there are on the state highway system, which represents an accident rate at least twice as great as on the state highway system. This rate has been rising for a number of years and the increased deployment of manpower on the county road system may have succeeded in reducing the rate slightly. It is our understanding that the new Highway Patrol Commissioner intends to further emphasize accident prevention and control of infractions on the county system where the physical nature of the county road system (two-lane, winding, etc.) may be a significant factor in the accident rate.

It should be pointed out that patrolmen functioning on the county highway system operate out of the same field offices as those operating on the state highway system and do not represent a separate group but merely an optional deployment of the manpower available to each field office. The supervising officer of each field office has a wide latitude in deploying his men based on his specialized knowledge of his command area. This makes it possible to maximize the effectiveness of a given number of men under a given commander.

III. REGULATION AND INSPECTION

Regulation and inspection is the most fragmented of the six major programs of the department. It includes 17 separate elements. In the last completed fiscal year, 1971-72, the program as a whole employed 1,272.5 man-years of personnel. This included almost 553 uniformed personnel and 720 nonuniformed personnel. As a result of recommendations made to the Legislature at the 1971 session, agreements were reached whereby a greater proportion of nonuniformed people are to be used in certain activities, thus reducing the numbers of more costly uniformed personnel. For the current fiscal year, it is estimated there will be 1,291 man-years, of which 490 will be uniformed and over 800 nonuniformed. In the budget year there is a slight increase to a total of 1,293 with the increase being reflected entirely in the nonuniformed positions.

During the budget hearings at the 1971 session of the Legislature, the Commissioner of the California Highway Patrol indicated that it was his policy to shift regulation and inspection activities to nonuniformed, less costly personnel, thereby releasing uniformed personnel to more important active patrol duties. It is evident, however, from the manpower figures above that no further substitutions are proposed for the budget year.

The net cost of regulation and inspection is proposed at \$16,733,623, which is \$641,290 or 4 percent more than \$16,152,333 estimated for the current fiscal year. The two most significant cost elements are (E) "commercial vehicle inspection at facilities," which uses 156.5 man-years, 11 more than the current fiscal year, of which more than two-thirds are nonuniformed, and (P) "passenger vehicle inspection," which uses 418 man-years, virtually the same amount as in the current fiscal year and of which the uniformed personnel represent approximately 55 percent of the manpower. This was the area in which the Legislature in 1971 adopted the

policy of using more nonuniformed personnel and fewer uniformed ones. In the 1970-71 fiscal year there were 451 man-years, of which over 82 percent were uniformed personnel.

The activity in this program which uses the most manpower is (A) "school pupil safety," where the manpower has been fairly constant at about 450 man-years. Over 90 percent of these positions are nonuniformed and represent the fully reimbursed pedestrian crossing guard program which the California Highway Patrol carries on for counties under contract.

Since program III proposes no increased service levels and increased costs merely reflect merit salary adjustments and the increased cost of goods and services, we recommend approval as budgeted. However, we continue to urge that more shifts be accomplished from uniformed to nonuniformed personnel.

IV. RECORDS

This program, which is divided into three elements, provides the basic data essential to departmentwide management decisions, manpower deployment, and service to other departments, particularly the Department of Motor Vehicles and the Division of Highways at the state level, and to local law enforcement agencies throughout the state in connection with stolen vehicles, accident records, stolen license plates, etc. The automated data accumulation, control and dissemination activities dealing with stolen vehicles and license plates has been consolidated with the Department of Justice.

The manpower for this program is proposed to be increased from 158.7 man-years in the current fiscal year to 174.7 man-years in the budget year. All but one of these are nonuniformed personnel. The increase results from workload adjustments arising from the data processing centralization. The personnel perform input functions, updating and analysis for management purposes.

For the budget year, the cost of the activity is proposed at \$2,815,086, which is \$98,460 or 3.6 percent more than the \$2,716,626 estimated to be expended in the current fiscal year.

The recordkeeping program of the department is the heart of research on accident causative factors, driver behavior, highway conditions and design, vehicle inadequacies and malfunctions and Highway Patrol personnel activities. Such research requires a comprehensive data bank. It also requires appropriate and innovative use of the data in order to reveal logical and acceptable cause and effect relationships.

V. AUTO THEFT

Auto theft in California has been rising steadily. It represents the second highest monetary loss of all crimes against property, the first being that of burglary. The California Highway Patrol has relatively little involvement in direct recovery of stolen vehicles, since most of the recoveries are made by local police. However, the department does provide central data support and statewide training and investigative backup as well as rendering technical assistance to local law enforcement agencies.

The program includes a special study which was directed by Chapter

CALIFORNIA HIGHWAY PATROL—Continued

1015, Statutes of 1970, with an appropriation of \$180,000. The study aimed at determining methods for reducing the incidence of vehicle thefts and facilitating the recovery of stolen vehicles.

This program is budgeted at a net cost to the State Transportation Fund of \$1,008,823 which is an increase of only slightly over \$10,000 from the \$998,945 estimated to be expended in the current fiscal year. However, it is proposed to expand the manpower from the authorized level of 47.8, most of which is uniformed, by 35 additional positions, of which 30 are uniformed and 5 nonuniformed. The cost of these additional positions is projected at \$745,115, which is reduced to zero by a like amount of reimbursement anticipated to be received from the federal government. This will cover the cost of implementing the recommendations contained in the vehicle theft study designed to increase vehicle theft prevention activity and a resultant drop in the number of stolen vehicles and parts.

While the goals of this proposal are desirable, we recommend a policy that the increased manpower continue to be supported from federal funds and the additional personnel not become permanently attached to the program unless it is demonstrated that beneficial results have been obtained and the Legislature so approves. To date we have received no indications as to how the benefits of this increased program will be demonstrated and quantified. We recommend that the Highway Patrol establish appropriate measurements. It can be anticipated that ultimately the federal support for this purpose will cease and the tendency will be to keep the operation going from state funds. *We recommend approval with the reservations mentioned above.*

VI. ADMINISTRATIVE SUPPORT

The cost of administrative support is distributed to the other five programs on a pro rata basis. It consists of five elements of which the last, (E) "administrative support," uses the most manpower and has the highest cost. It consists of all of the basic housekeeping functions such as central files, duplicating, mail and messengers services, automotive management, maintenance of the communication systems and many other routine, conventional activities.

The second largest element, (A) "management and command," provides the top level supervision which includes the commissioner and his staff as well as all the top field commanders. The balance of the operation covers the training academy, planning and budget and fiscal matters.

For the program as a whole, the manpower proposals for the budget year change very little from the estimated manpower for the current fiscal year. A net increase of 2.2 positions in the nonuniformed group and a cost increase of \$549,529 or slightly over 3.6 percent are proposed for the budget year. This is from \$15,042,261 in the current fiscal year to \$15,591,790 in the budget year and principally represents increases in salaries and wages and the cost of goods and services.

Minor Capital Outlay

The request for minor capital outlay consists of three projects at a total cost of \$27,383. We recommend approval of \$22,000 for the funding of two projects as outlined below:

- (a) Modifications to service yard, Riverside area \$12,000
- (b) Lump sum appropriation for unforeseen alterations .. \$10,000

We recommend the deletion of the following project in the amount of \$5,383:

- (c) Pave unimproved area, Sacramento \$5,383

This project will provide approximately 9,800 square feet of additional paving and 290 linear feet of new fencing. The area to be improved is a portion of state property which is excess land and not necessary to the function of this office.

Department of the California Highway Patrol
DEFICIENCY PAYMENT

Item 185 from the Motor Vehicle Account in the State Transportation Fund

Budget p. 106 Program p. I-614

Requested 1973-74	\$500,000
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

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

However, in the 1972 Budget Act, the language limiting application of the deficiency procedure to patrol vehicles was removed. This will permit the appropriation to be used for any approved deficiency. Heretofore the authorization has not been used; however, rising vehicle prices may require its use in the current fiscal year.

CALIFORNIA HIGHWAY PATROL—Continued

Department of the California Highway Patrol
VEHICLE EQUIPMENT SAFETY COMMISSION

Item 186 from the Transportation Tax Fund Budget p. 107 Program p. I-641

Requested 1973-74	\$13,250
Estimated 1972-73.....	11,641
Actual 1971-72	9,857
Requested increase \$1,609 (13.8 percent)	
Total recommended reduction	\$6,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS	Analysis page
1. <i>Participation in Vehicle Equipment Safety Compact.</i> <i>Reduce \$6,000.</i> Recommend California's share be reduced by approximately one-half.	398

ANALYSIS AND RECOMMENDATIONS

Cooperation by the State of California in the "Vehicle Equipment Safety Compact" was authorized by the Legislature in Chapter 238, Statutes of 1963. Generally, the purpose of the state's involvement was to promote uniformity in standards for equipment and their application, uniformity of law and administrative practice and the encouragement and utilization of research. The Administrator of the Transportation Agency was designated as the representative to the "Vehicle Equipment Safety Commission" which was created by the compact. He in turn delegated representation to the Commissioner of the California Highway Patrol.

California's Share in Compact

We recommend that the contribution by the State of California to the Vehicle Equipment Safety Compact be reduced by \$6,000, somewhat less than one-half of the amount proposed, and that the balance of \$7,250 be considered California's fair share of the limited activities of this commission.

The costs of the activities of the Vehicle Equipment Safety Commission are intended to be borne by the 44 states which are members of the compact on the basis of equal sharing of one-third of the total cost with the balance shared in proportion to the vehicle registration of each state.

Based on this formula, California's share is \$13,250, which is \$1,609 or over 13.8 percent more than the \$11,641 estimated be expended in the current fiscal year. During the 1971 session the Legislature reviewed the desirability of California remaining in the compact, and a decision was made to continue the cooperation at least until it was demonstrated that some specific benefit was accruing to the state from its association.

It should be pointed out that the formula is quite arbitrary since the

benefit that accrues to any one state is not necessarily proportional to its vehicle registration. In fact the benefits are equal to all states. At least four of the states, one of which is Massachusetts, have taken the approach that they will contribute a fixed sum of money irrespective of the formula, which represents in each case something appreciably less than would be provided by formula. The contributions made by these four states have been accepted and the commission has taken no action to exclude these states from cooperation.

Transportation Agency DEPARTMENT OF MOTOR VEHICLES

Items 187 through 191 from
Various Funds

Budget p. 108 Program p. I-642

Requested 1973-74	\$78,502,601
Estimated 1972-73.....	75,573,315
Actual 1971-72	64,481,062
Requested increase \$2,929,286 (3.9 percent)	
Increase to improve level of service \$178,173	
Total recommended reduction	\$44,520

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Staggered Registration. Recommend the Department of Motor Vehicles plan for implementation of staggered registration of motor vehicles, setting a target date or alternatively provide evidence conclusively that such a plan will not offer sufficient advantages to the public. 403
2. Off-Highway Vehicle Registration (OHV). Recommend that the Legislature reassign the primary responsibility for leadership of the off-highway program to the Department of Motor Vehicles. In addition, the Department of Motor Vehicles, with the assistance of the Department of the California Highway Patrol and the Department of Parks and Recreation, should be required to submit a report to the Legislature on the feasibility of enforcement of this program and a suggested OHV code by December 1, 1973. 404
3. Bicycle Registration. Recommend that the Department of Motor Vehicles start planning and system design work in budget year 1973-74 for the mandated bicycle registration program. 406
4. Postlicensing Control. Recommend the department submit a status report on the implementation of the reporting and evaluation system for the postlicensing control element to the Joint Legislative Budget Committee by November 1, 1973. Report should be accompanied by a research study report of the effectiveness of the "group educational meet-

DEPARTMENT OF MOTOR VEHICLES—Continued

- ings" for negligent drivers.
5. Dealer Warranties. Recommend legislation be enacted extending jurisdiction of the Department of Consumer Affairs over the performance of all vehicle dealer warranties and repairs and services to all vehicles including mobile homes. 411
 6. *Minor Capital Improvements. Reduce Item 187 by \$44,520.* Recommend deletion of two Sacramento headquarters improvement projects. 414

GENERAL PROGRAM STATEMENT

The Department of Motor Vehicles working in coordination with the Department of Public Works and the California Highway Patrol is dedicated to the development, operation and control of a safe and effective road and highway transportation system.

The principal objectives of the department are to:

- (a) Identify ownership of vehicles through registration.
- (b) Promote highway safety by licensing and controlling drivers.
- (c) Maximize public protection by licensing and regulating occupations and business related to manufacture, transporting, sale, and disposal of vehicles and operation of commercial driving schools.
- (d) Promote financial responsibility of drivers to respond to judgment for damages by persons involved in accidents.
- (e) Provide other services as required by statutes such as collection of use tax, registration of undocumented vessels (boats) and issuance of California identification cards.

Programs and support activities designed to achieve these objectives are: (1) vehicle licensing and titling, (2) driver licensing and control, (3) occupational licensing and regulation, (4) financial security following accidents, (5) associated services, (6) department administration, (7) electronic data processing.

In order to implement the above program and support activities the department proposes the operation of 147 field offices in 14 districts, and central headquarters in Sacramento with 6,828 staff members during the budget year.

It is estimated that the department will register and collect fees on 15,884,000 vehicles and maintain records on 13,339,000 outstanding driver licenses including the processing of 740,000 original licenses and 3,473,000 renewal licenses during the budget year. These major workload indicators reflect an estimated 4.2 percent increase in vehicle registration and 3.8 percent increase in driver's licenses over the current year. The total vessel registration is expected to be 434,000 in the budget year, an increase over the current year of 0.7 percent.

Recovery from Major Fire

A major fire occurred on the fifth floor of the six-story Department of Motor Vehicles headquarters building in Sacramento on the night of December 25, 1972. As a result, the fifth floor, which was occupied by the Military Department, was completely gutted with severe damage to the structural steel support beams in the floor of the sixth story. Areas oc-

cupied by the Department of Motor Vehicles on the sixth floor were exposed to smoke damage and areas on the first, second, third and fourth floors were subjected to water intrusion. Many open files on the lower floors were soaked by water. However, no files were lost or rendered unusable.

Following the detection of the fire, personnel on duty in the Department of Motor Vehicles computer area on the second floor shut down the computer and covered all EDP equipment with plastic covers. Pre-planned emergency procedures and a stockpile of plastic covers prevented water damage to EDP equipment valued at approximately \$15 million.

Within hours after the fire was controlled, personnel from the Department of Motor Vehicles and the Department of General Services started recovery planning and cleanup operations on a 24-hour basis. As of December 28, 1972, the computer system was returned to operational status. All other operations were resumed by January 5, 1973, on the first, second and third floors of the headquarters building. Displaced units from the fourth and sixth floors were relocated to an adjacent DMV building or to leased space at Florin Road and the Highway 99 Freeway.

It has been determined that water has extensively damaged the fire-retardant coating on structural steel support beams on all six floors. Damaged fire-retardant material must be removed and new material applied. The beams in the ceiling of the fourth floor will be reworked first, returning this vacated floor to operational status by May 1, 1973. Repairs on the first, second and third floors will be made on a noninterference basis in order to permit continued DMV operations. Extensive structural repairs must be made to the central core structure of the fifth and sixth floors. It is estimated that these repairs will preclude operational use of these floors until approximately April 1, 1974.

Requests for major augmentation to the 1972-73 and 1973-74 budgets can be expected from the department by March 15, 1973. These requests for augmentation are expected to total several million dollars in order to provide for capital outlay, emergency procurement, and extraordinary operational expenditures.

ANALYSIS AND RECOMMENDATIONS

The total proposed departmental expenditure for the 1973-74 fiscal year is \$84,776,122. This represents an increase of \$2,942,240 or 3.8 percent over the amount estimated for the current fiscal year. The foregoing amounts differ from the Budget Bill appropriations because the department is reimbursed for some of its services. For purposes of our analysis, total proposed expenditures will be considered. Table 1 summarizes annual expenditures by program for a three-year period. Table 2 shows the proposed funding for the budget year. Table 3 gives an explanation of the differences from the current year program.

I. VEHICLE LICENSING AND TITLING

The purpose of this program is to register vehicles, collect fees and record vehicle transactions. There are five program elements: (1) vehicle licensing, (2) vehicle fee collection, (3) vehicle record maintenance, (4) vehicle information, and (5) off-highway vehicle registration.

DEPARTMENT OF MOTOR VEHICLES—Continued

This program is expected to register 15,884,000 vehicles and produce revenues of approximately \$600 million during the 1973-74 budget year. The department's request for this program for fiscal year 1973-74 totals \$39,944,010, an increase of \$1,494,319 (2.8 percent) over the current year. This allows for a net increase of 60.9 man-years. Table 4 presents vehicle licensing, program element inputs and Table 5 presents vehicle licensing volume of activity.

Table 1
Summary of Program Expenditures

	<i>Actual</i> <i>1971/72</i>	<i>Estimated</i> <i>1972/73</i>	<i>Proposed</i> <i>1973/74</i>	<i>Increase</i> <i>over</i> <i>1972/73</i>	<i>Percent</i> <i>increase</i>
I. Vehicle licensing and titling	\$33,471,579	\$38,846,754	\$39,944,010	\$1,097,256	2.8
II. Driver's licensing and control.....	29,359,877	34,419,442	35,913,761	1,494,319	4.3
III. Occupational licensing and regulation	3,028,175	3,516,314	3,769,339	253,025	7.2
IV. Financial security following accident law	1,829,291	2,007,388	2,080,622	73,234	3.6
V. Associated services	2,351,473	2,767,259	2,788,180	20,921	0.7
VI. Administration (including EDP)					
Undistributed	235,330	276,725	280,210	3,485	1.3
Distributed to programs	<u>(4,009,350)</u>	<u>(4,854,134)</u>	<u>(4,997,487)</u>	<u>(143,353)</u>	<u>3.0</u>
Totals, Programs	\$70,275,725	\$81,833,882	\$84,776,122	\$2,942,240	3.6

Table 2
Funding Sources

<i>Item</i>	
187 State Transportation Fund, Motor Vehicles Account	\$67,721,361
188 Transportation Tax Fund, Motor Vehicle License Fee Account	9,649,545
189 Harbors and Watercraft Revolving Fund	722,215
190 California Environmental Protection Program	339,822
191 Abandoned Vehicle Trust Fund	69,658
Reimbursements	<u>6,273,521</u>
Total proposed expenditures	\$84,776,122

Table 3
Explanation of Difference from Current-Year Program

	<i>Man-Years</i>	<i>Amount</i>	<i>Percent</i>
1. Workload adjustment	199.0	\$1,996,509	2.6%
2. Merit salary adjustment	—	767,911	1.0%
3. Increase of staff benefits costs of authorized positions....	—	309,692	0.4%
4. Salary savings due to personnel turnover	—	23,500	—
5. Equipment costs not related to proposed new positions	—	165,690	0.2%
6. Price change	—	376,971	0.5%
7. Reimbursed programs			
(a) Research on highway safety	—	-118,250	-0.2%
(b) Driving schools study (reimbursed)	-2	-54,766	-0.1%
(c) Driving schools study (department)	2	15,533	—
(d) Career opportunity development program	—	-10,341	—
(e) Group educational meeting project	—	-2,486	—
8. Study of commercial driving school training (Chapter 1454, 1969)		-85,105	-0.1%

9. New programs or changes to programs			
(a) Administrative hearing before vehicle seizure and sale proceedings	22.5	229,419	0.3%
(b) Trailer coach registration.....	12.2	85,223	0.1%
(c) Initial occupational licensing applications	1.6	28,619	—
(d) Vehicle dismantler review.....	2.4	52,567	0.1%
(e) Consumer complaints of vehicle repairs			
(1) Chapter 1578, 1971, abolished function.....	—	-122	—
(2) Retained activities	0.1	11,886	—
10. 1971 Statutes			
(a) Chapter 1816/71, registration of off-highway vehicles	-81.2	-804,506	1.1%
(b) Chapter 1624/71, abandoned vehicles	-29.4	-268,061	-0.3%
(c) Chapter 1507/71, odometer reading	72.4	526,318	0.7%
(d) Chapter 260/71, odometer reading	0.6	4,443	—
(e) Chapter 1374/71, driver's license, colored photo.....	1	7,577	—
11. 1972 Statutes			
(a) Chapter 296/72, certification of acquisition.....	-10.6	-75,525	-0.1%
12. EDP moving expense relocation		-285,000	-0.3%
13. Minor capital outlay.....		54,320	0.1%
14. Driver's license renewal notice program.....	-1	37,224	0.1%
15. Consolidated Data Center		(3,556,964)	
Total.....	181.1	\$2,942,240	3.8%

Table 4
Vehicle Licensing, Program Element Inputs

Program elements	Man-years		Program costs	
	1972-73	1973-74	1972-73	1973-74
Vehicle licensing	1635.7	1758.7	\$21,454,302	\$23,151,015
Vehicle fee collection	771.9	792.2	10,921,454	11,116,295
Vehicle record maintenance	306.7	302.7	3,270,528	3,205,602
Vehicle information.....	159.1	161.9	1,591,018	1,666,152
Off-highway vehicle registration	147.2	66.0	1,609,452	804,946
Total.....	3,020.6	3,081.5	\$38,846,754	\$39,944,010

Table 5
Vehicle Licensing, Volume of Activity

	1972-73	1973-74
Vehicle registrations	15,244,000	15,884,000
Records pulled and filed	34,124,000	35,595,000
Information requests	10,071,000	10,495,000
Off-highway vehicles registered.....	100,000	108,000

Staggered Registration

We recommend that the Department of Motor Vehicles study and plan for implementation of staggered registration of motor vehicles, setting a target date or decisively substantiate the fact that such a plan will not offer sufficient advantages to the public.

In California, renewal of motor vehicle registrations is accomplished on an annual basis between December 1, and February 4. During this short period of nine weeks, approximately 13,800,000 registrations are renewed with most occurring within the last two weeks. This policy imposes a very heavy load on the department, requiring the employment and training of approximately 100 temporary personnel each year. These temporary employees are used to staff about 50 temporary offices located in banks throughout the state. In addition, an inordinate load is placed on the

DEPARTMENT OF MOTOR VEHICLES—Continued

computer system to process the potential registration notices and the registration information.

Several states, including New York which is the second most populous state, have converted from annual to staggered registration. The results of these conversions have been satisfactory. However, problems with enforcement and variable workloads have been reported.

The department has studied several plans for staggered registration since 1952. A comprehensive study presented on April 30, 1970, recommended the use of the "date plan" if staggered registration was adopted. The "date plan" would provide for registration renewal one year after the fees first became due. Subsequent renewals would be made every 12 months. This study also stated operating costs may be slightly higher under the staggered registration plan in comparison to current costs under the annual registration policy.

Assembly Concurrent Resolution No. 32 dated August 4, 1972, requests the department to prepare a report on the feasibility of staggered registration of motor vehicles and submit the report to the Legislature by July 1, 1973. The department advises that this report will be completed and submitted in advance of the required date. However, there is no provision in the 1973-74 projected budget for continued planning work which is essential to possible implementation.

In view of the fact that staggered registration is working satisfactorily in other states, notably New York, there should be potential advantages in converting to a staggered registration plan for California which registers more vehicles than any other state. The potential advantages of increased public services, smoothed-out departmental workload and improved use of large computers appear to be evident.

Off-Highway Vehicle (OHV) Registration

We recommend that the Legislature reassign the primary responsibility for leadership of the off-highway vehicle (OHV) program to the Department of Motor Vehicles. In addition, the Department of Motor Vehicles with the assistance of the Department of the California Highway Patrol and the Department of Parks and Recreation should be required to submit a report to the Legislature on the feasibility of enforcement of this program and a suggested OHV code by December 1, 1973.

Division 16.5 of the Vehicle Code (Off-Highway Motor Vehicle Law of 1971) requires that motor vehicles such as minibikes, snowmobiles, dune buggies, trail bikes and various other vehicles used exclusively off the highway and not otherwise registered shall bear identification tags. Vehicles used only on the owner's property or on other private property with the owner's permission, and vehicles used in competitive racing, do not need to be identified.

When enacted, the new law had the strong support of conservationists, off-highway vehicle organizations, and many other special interest groups using public lands. The new law resulted from growing public concern for environmental protection, easing of intergroup conflicts, and increased law enforcement control over off-highway vehicles.

On some weekends thousands of such vehicles overwhelm California desert, dune, and forest areas beyond nature's ability to support such heavy use. Other commercial and recreation interests with equal claim to use of public domain sought at least minimum regulation to protect their activities, and government agencies charged with administering natural resources found OHV controls needed. Identification of OHV's also aids law enforcement—tracing stolen vehicles, citing flagrant violators, etc. Providing special recreation areas for OHV's through registration fee revenue is a step toward easing these problems.

The OHV law provides that the \$15 fee be shared as follows: \$5 to DMV for administrative expenses; \$4 rebated to cities and counties on the basis of population ratios, in lieu of all property taxes on the vehicle; \$6 to the Department of Parks and Recreation, either for the OHV Fund or the Snowmobile Trust Fund, as the case may be. The legislative intent is that these funds be used to plan, acquire, develop and maintain special areas and trails for OHV's.

Enforcement is primarily assigned to city police and county sheriffs' departments. Unless some type of violation occurs on the highway, the California Highway Patrol rarely, if ever, would be involved in enforcement of the OHV sections of the Vehicle Code.

Initial analysis for this new legislation indicated an estimated registration in fiscal year 1972-73 of 1,200,000 off-highway vehicles, based on estimates by the Department of Parks and Recreation, the motorcycle industry and off-highway vehicle clubs. They also estimated that there were two off-road motorcycles for each on-street registered motorcycle. In 1971 the department registered 608,000 motorcycles for on-street operation. In addition, 337,500 vehicle transfer transactions were also anticipated. Working with the estimates the department projected the following gross revenues for the 1972-73 fiscal year.

OHV gross revenue

Service fees (\$5) and transfer fee (\$3)	\$7,041,000	Motor Vehicle Account, State Transportation Fund
Recreational fees (\$6)	7,234,000	OHV Fund
In-lieu tax (\$4)	4,823,000	OHV License Fee Fund
Use tax (5%)	2,400,000	General Fund
Total	\$21,498,000	

In the six months since July 1, 1972, only 50,000 OHV's have been registered. This indicates a possible registration of only 100,000 vehicles during the 1972-73 fiscal year rather than 1,200,000 vehicles. Gross revenue may reach only \$1,800,000 rather than the planned amount of \$21,498,000. As an added concern the department estimates registrations during the 1973-74 budget year to remain at a level of 108,000 vehicles. The lag has occurred despite an extensive publicity effort by the department on radio and television.

One explanation for the disappointing results is that the estimate of 1,200,000 OHV's was too high. However, the U.S. Bureau of Land Management (BLM) considers this estimate to be low; its surveys indicate a

DEPARTMENT OF MOTOR VEHICLES—Continued

possible total of 1,800,000 OHV's in California.

Very clearly, the current and projected results of the OHV registration program fall considerably short of initial goals, threatening the basic purpose and objectives of the OHV law. It is apparent that enforcement, which is dependent upon city police and county sheriffs' offices, is ineffective in many local areas because of insufficient incentives. In addition, the responsibility for centralized coordination and leadership has not been adequately established within state government.

Coordinated enforcement at the local level, and cooperative enforcement by federal agencies to the limit of their authority, is urgently needed from here on. Without enforcement, the OHV program cannot generate funds either for the Department of Parks and Recreation or for cities and counties to use for special OHV facilities and other purposes. The Vehicle Code categorizes violations of Division 16.5 as infractions and sets fines ranging up to \$250 upon conviction for a third offense.

The OHV law requires the Secretary of the Resources Agency, in cooperation with the Department of California Highway Patrol and the Department of Motor Vehicles, to submit to the Legislature no later than July 1, 1972, suggested provisions for an "Off-Highway Vehicle Code" to govern operation of motor vehicles when operated off the highways. This implies that the role of leadership for the OHV program has been placed with the Resources Agency. However, there is no evidence that the Resources Agency is aggressively providing the necessary leadership, the program is off to a poor start and the requirement for providing the Legislature with a suggested OHV code by July 1, 1972, has not been accomplished.

Centralized coordination and leadership of this program should be delegated to the state agency which has the greatest functional involvement with OHV registration and possesses a fully operating management information system. Logically, the agency which meets these requirements is the Department of Motor Vehicles. Therefore, we believe the Legislature should reassign primary responsibility for leadership of this program to the Department of Motor Vehicles. In conjunction with reassignment of responsibility, we recommend that the Legislature require the department with the assistance of the Department of the California Highway Patrol and the Department of Parks and Recreation to prepare and submit a report by December 1, 1973, on the feasibility of enforcing this program at the local level and the legal liability risks that must be assumed by the state in operating special OHV recreation areas. In addition, the Legislature should extend the due date for submission of a suggested OHV code from July 1, 1972, to December 1, 1973.

Bicycle Registration

We recommend that the Department of Motor Vehicles start planning and system design work in budget year 1973-74 for the mandated bicycle registration program.

During the 1972 Regular Session two measures were enacted which add to the Penal and Vehicle Codes provisions establishing a statewide system

for the registration of bicycles. These measures were the result of the growing epidemic of bicycle thefts throughout the state.

Chapter 885, 1972 Statutes (SB 147), appropriated \$150,000 from the General Fund to the Department of Justice for a special comparative study of statewide bicycle licensing and control plans, with a progress report due to the Legislature by February 1, 1974. Registration and licensing of bicycles would be required after December 31, 1973, with localities setting fees and retaining proceeds while the Department of Justice would maintain records on lost and stolen bicycles in the Criminal Justice Information System.

Chapter 1153, 1972 Statutes (AB 2213), repealed the provisions pertaining to licensing of bicycles proposed by Senate Bill No. 147 as of July 1, 1975, and established a statewide registration system to be administered by the Department of Motor Vehicles commencing on July 1, 1975. Registration and issuance of licenses is to be done by bicycle dealers and local law enforcement agencies. A license fee of \$3 is specified, \$0.50 of which is to be retained by the issuing agency and the remainder remitted to the department.

This will be a major new program for DMV. The estimated population of existing bicycles is 6,000,000 units and new sales are estimated to be 1,300,000 units annually with potential gross license fee revenues approaching \$15 million annually. There is clearly an urgent need to start advance planning work during the 1973-74 budget year. However, no provisions have been made in the budget for planning and system design.

Reflectorized License Plates

We recommend that the Department of Motor Vehicles take necessary steps to commence issuance of reflectorized license plates beginning with the 1974 calendar year.

Chapter 953, Statutes 1972 (SB 263), was enacted during the 1972 Regular Session. This measure requires the Department of Motor Vehicles to change from unreflectorized license plates to reflectorized safety license plates as soon as it is practicable, but in no event shall such plates be issued for any calendar year prior to the 1974 calendar year.

Examination of the proposed budget for 1973-74 reveals that no provisions have been made for implementation of this measure. The department offered the explanation that the expected costs of this project have not been included in the 1973-74 budget because costs have not been determined for implementation of the change and production of 3,400,000 plates. Finalization of costs is reported to be dependent upon obtaining competitive bids for the purchase of reflectorized materials from at least two qualified bidders.

II. DRIVER LICENSING AND CONTROL

The primary objectives of this program are to license drivers, promote safe driving practices and exercise control over those drivers who are judged to be unsafe. Program elements include: (1) driver's license issuance, (2) postlicensing control, (3) certificate issuance, and (4) information services.

During the budget year 1973-74 this program is expected to maintain

DEPARTMENT OF MOTOR VEHICLES—Continued

the records on 13,339,000 outstanding drivers licenses including the processing of 740,000 original licenses and 3,473,000 renewal licenses. The department's request for this program for fiscal year 1973-74 totals \$35,913,761, an increase of \$1,494,319 (4.3 percent) over the current year. This allows for net increases of 97.1 man-years. Table 6 presents driver licensing, program element inputs.

Table 6
Driver Licensing, Program Element Inputs

<i>Program elements</i>	<i>Man-years</i>		<i>Program costs</i>	
	<i>1972-73</i>	<i>1973-74</i>	<i>1972-73</i>	<i>1973-74</i>
Driver license issuance	1,542	1,616.3	\$20,642,175	\$21,598,842
Postlicensing control	863.5	882	11,214,776	11,638,656
Certificate issuance	8.0	8.0	83,625	101,683
Information services	164.2	168.5	2,478,866	2,574,580
Total	2,577.7	2,674.8	\$34,419,442	\$35,913,761

Driver License Incentive Program

The present driver licensing law (Vehicle Code Section 12816) provides that original licenses and renewals of licenses on which the driver has accumulated a record of violations shall be valid until the third birthday after application. All other renewals are valid until the fourth birthday following expiration. As a result, all drivers must apply for renewal of their licenses and take a vision and law test every four years or earlier as the case may be. Under this program, no incentives are provided to drivers to strive for and maintain good driving records.

Senate Concurrent Resolution 104, filed on October 8, 1971, requested the Department of Motor Vehicles to conduct a study of a safe-driving incentive plan. Under such a plan, the license expiration date would be extended without examinations for drivers with clear driving records in order to test the effect on the driving performance of such persons. The department was requested to submit a progress report to the Legislature by April 1, 1972, and to submit the final report by the fifth calendar day of the 1974 Regular Session.

In response to this request, the department initiated an experimental driver incentive program on March 1, 1972. This program is designed to produce a reward to good drivers by reducing the inconvenience and cost of renewing their licenses. There are three phases to the experimental program.

Phase I, which started on July 1, 1972, provides for the mailing of renewal notices to all drivers, 60 days in advance of the expiration of their driver licenses. It is hoped that the renewal notice will speed up the process of issuing renewal licenses and reduce the number of drivers driving with expired licenses.

Phase II, which started on March 1, 1972, provides a reward of an automatic extension of the license expiration date for each license within two sample groups of 15,000 each. The first group consists of drivers with clear records who will be sent letters of congratulations that will include certificates extending their licenses for one year. The second group consists of

drivers whose records have violations. Each driver in this group will receive a letter a year before normal expiration offering him the possibility of a year's extension of his license if he has a one-year record free from accidents or citations. An evaluation of the effectiveness of the driver incentive, experimental program will be based upon the performance of the drivers in the two sample groups.

Phase III, which will be dependent upon the results of Phases I and II, will provide more comprehensive and record-related tests for the renewal of licenses of drivers who have records that are not clear and who must be invited into field offices for license renewal.

The department has expectations for favorable results from the experimental project and is currently planning to analyze data acquired during the first year and prepare a report by May 1, 1973. If the results of the experimental project indicate that a statewide driver license incentive program can be expected to provide effective driver incentives and administrative savings, the introduction of new legislation and augmentation of the 1973-74 budget may be advisable in order to implement the program on an early basis.

Postlicensing Control

We recommend that the Department of Motor Vehicles submit a status report on the implementation of the reporting and evaluation system for the postlicensing control element to the Joint Legislative Budget Committee by November 1, 1973. This report should be accompanied by a research study report of the effectiveness of the "group educational meetings" for negligent drivers.

The purpose of the postlicensing control program element is to promote highway safety through identification of drivers whose qualifications for retention of a drivers license are questionable, determination of the extent of the potential hazard associated with allowing the driver to retain his driving privilege, and through placing into effect corrective action which alleviates the condition which creates the hazard, limiting the driving privilege, or eliminating the hazard by removing the "problem" driver from the road.

In performing its postlicensing control functions, the department is concerned with those drivers who are: (1) convicted of serious offenses, (2) have had more than one accident or several moving traffic violations, and (3) who have physical or mental disorders of a nature that could impair their driving ability.

The postlicensing control element is divided into two parts. The first part covers those mandatory actions against the driving privilege which are required by statute. The second part covers discretionary actions against the driving privilege which are permitted by statute.

The mandatory actions include suspension or revocation for such offenses as drunk driving, felonies with a motor vehicle, reckless driving, driving under the influence of narcotics, and violation of the implied consent law.

The discretionary actions pertain to correcting the driver's adverse characteristics, limiting the driving privilege, or suspending or revoking

DEPARTMENT OF MOTOR VEHICLES—Continued

the driver's license for conditions such as mental or physical disabilities, negligent operation, traffic violations, and adverse accident records.

Through the driver's improvement function an effort is made to assist the driver who has a poor driving record in retaining his driving privilege by motivating him to accept his responsibility as a driver and changing his adverse driving habits. This involves sequential activities beginning with issuance of a warning letter and, if necessary, progressing on to group educational meetings or individual interviews with driver improvement analysts who are trained specialists in working with problem drivers.

Table 7 presents inputs and outputs for the postlicensing control element.

Table 7
Postlicensing Control Element, Input and Outputs

<i>Output</i>	<i>1972-73</i>	<i>1973-74</i>
Warning letters sent	130,000	133,000
Drivers called to group meetings	69,500	73,000
Hearings, interviews, and re-examinations	124,700	129,600
Licenses suspended, revoked, or driver placed on probation	165,100	168,400
Reinstatements	99,000	101,000
<i>Input</i>		
Expenditures	\$11,214,776	\$11,638,650
Man-years	863.5	882

In view of the significant budget and personnel effort expended by the postlicensing element, the Legislative Analyst and the Department of Motor Vehicles have agreed that the development of a system for reporting and evaluating the effectiveness of the postlicensing control is essential. To this end, the department has completed a series of in-house studies and has had a special study made by an outside consultant. The consultant's study, completed in March 1971, describes a "conceptual system design for continuous reporting and evaluation" of the postlicensing control element.

The department is currently accumulating data for evaluation and is in the process of designing a reporting and evaluation system. Full implementation of the reporting system and report generation is scheduled for June 1974. In order to finance implementation of this system, federal funding is being requested under provisions of the National Highway Safety Act.

A status report to the Legislature on the design and implementation of the reporting and evaluating system is needed in advance of the department's projected reporting date of June 1974. In addition a preliminary research study report on the effectiveness of the "group educational meetings" relative to negligent drivers is desired as soon as practicable.

The system status report should describe the categories of acquired data, the system design criteria, measurement and evaluation rationale, and report features. Design and implementation project target dates and costs should also be presented.

The Research study report of the group educational meetings should give a general evaluation of the effectiveness of discretionary actions

taken with a representative sample group of negligent drivers over a two-year period. This evaluation should also include cost/benefit factors and other relative performance evaluation information.

III. OCCUPATIONAL LICENSING AND REGULATION

The purpose of this program is to protect the public in its dealings with persons and firms engaged in the business of manufacturing, selling, buying, transporting or dismantling vehicles. The department's efforts include maximum enforcement, education and preventive measures as well as providing methods of remedial or recovery action for victims of financial loss. In addition, the department initiates appropriate action against persons engaged in fraudulent, deceptive or otherwise unlawful practices. This includes:

- (1) Investigating applicants for an occupational license,
- (2) Denying licenses to those deemed unqualified,
- (3) Initiating disciplinary action,
- (4) Effecting compliance from persons operating without a license, and
- (5) Determining that license applicants and holders establish and maintain proof of financial responsibility.

This program is divided into two elements, licensing and regulation. Included in the latter element is the New Car Dealers Policy and Appeals Board which was created by legislation enacted in the 1967 legislative session. The major duties of this board involve regulation and licensing of new car dealers.

The cost of the total program for the budget year is estimated at \$3,769,-339, an increase of \$253,025 (7.2%) over the current year. It is proposed to allocate an additional 8.0 man-years to this program to cover the anticipated workload increase. The estimated staffing level for the current year is 229.6 man-years. Workload statistics are shown in Table 8.

Table 8
Workload Statistics—Occupational Licensing and Regulation

	<i>Estimated 1972-73</i>	<i>Estimated 1973-74</i>	<i>Increase</i>
Licenses processed and issued	19,835	20,560	725
Salesmen licenses issued	63,400	65,400	2,000
Complaints against licensees	7,770	7,970	200
Dealer and dismantler reviews.....	1,275	1,300	25
Administrative action against licensees	1,150	1,170	20
Field review of driving schools.....	1,080	1,190	110

Dealer Warranties

We recommend that legislation be introduced which will extend the jurisdiction of the Department of Consumer Affairs over the performance of all vehicle dealer warranties and repairs and services to all vehicles to include mobilehomes.

Enactment of Chapter 1578, Statutes 1971, created a Bureau of Auto Repairs in the Department of Consumer Affairs. The measure also repealed Section 11713.1 of the Motor Vehicle Code transferring jurisdiction over motor vehicle repairs and services from the Department of Motor Vehicles to the Bureau of Auto Repairs. This resulted in the deletion of 10

DEPARTMENT OF MOTOR VEHICLES—Continued

inspector positions from the department budget and the termination of motor vehicle service and repair surveillance by the compliance division.

Subsequently the Bureau of Auto Repairs has notified the department that its jurisdiction only applies to service and repair of passenger vehicles by licensed repair shops and does not cover the following:

- (1) Repairs to commercial vehicles, mobilehomes, etc.
- (2) Performance of dealers under new car and used car warranties.
- (3) Brake, lighting and smog problems except when a firm holds a license as an inspection station.

In recent months, the bureau has referred a large number of consumer complaints related to dealer warranty problems and repairs for commercial vehicles, mobilehomes, etc. to the department for followup. The department is making a determined effort to followup on these complaints under Section 11713(a) of the Vehicle Code which gives the department general jurisdiction over misrepresentation. Performance of this followup work is difficult because of the deletion of the authorization of the necessary personnel.

As an added load to the department, the Department of Consumer Affairs has listed only DMV phone numbers in local telephone directories to enable consumers to file complaints concerning new and used automobile dealers, mobilehomes, and dealer warranties. These directory listings have flooded the division's compliance service with large numbers of complaints, many of which require redirection to the bureau.

If it is the intent of the Legislature that the department have jurisdiction over the investigation of fraudulent acts related to performance of dealer warranties and repairs and services to all vehicles not covered by the bureau, then legislation should reestablish the department's jurisdiction over these matters. However, we feel that the enforcement of dealer warranties and proper repairs and services to *all* vehicles, including mobilehomes, is a consumer protection function which should be under the jurisdiction of the Department of Consumer Affairs.

IV. SECURITY FOLLOWING ACCIDENT LAWS

The objective of this program is to protect the insured drivers or those who can satisfy a judgment when they are involved in accidents with the noninsured who do not have the financial ability to satisfy a judgment. Each driver and/or owner of a vehicle involved in a reportable accident is required to file a report within 15 days after the accident. Unless the report establishes that the driver was not at fault or evidences the existence of liability insurance, the department evaluates the injuries and damages and requires a cash security deposit. Noncompliance results in suspension of driving privileges and vehicle registration.

The budget request for the program is \$2,080,388, representing an increase of \$73,234 (3.6 percent) over the current year. This reflects the allocation of an additional 3.0 man-years to the current year level of 177.7. In terms of the program's two elements—(1) registration and driver privilege control, and (2) information services—this amounts to an increase of 3.2 man-years for the former and a decrease of 0.3 man-year for the latter.

V. DEPARTMENT OF MOTOR VEHICLES ASSOCIATED SERVICES

Through its headquarters operation and network of 147 field offices, the department provides certain services to the general public which are not directly related to motor vehicles or driver licensing. These services include:

- (1) California identification card issuance,
- (2) Undocumented vessel registration and fee collection,
- (3) Personalized license plates registration and fee collection, and
- (4) Use tax computation and collection.

Workload data for these associated services are shown in Table 8.

Table 8
Workload Statistics—Associated Services

	<i>Estimated 1972-73</i>	<i>Estimated 1973-74</i>	<i>Increase</i>
Identification cards issued	116,500	107,900	-8,600
Undocumented vessel registration and fee collection transactions	547,500	612,900	65,400
Personalized license plates transactions	117,325	137,700	20,375
Use taxes collected	\$53,848,000	\$56,097,000	\$2,249,000

Fees collected during the undocumented vessel registration period are credited to the Harbors and Watercraft Revolving Fund. With respect to personalized plates, net revenues are deposited in the Environmental Protection Program Fund. This program element and fund was established by the 1970 Legislature. The use tax collected by the department is the equivalent to the state-city-county 5 percent sales tax on private sales of vehicles. The revenue is deposited in the General Fund and the department is reimbursed for its costs.

For the budget year, the total program is estimated to cost \$2,788,180. This is an increase of \$20,921 (0.7 percent) over the current year and reflects the allocation of an additional 1.8 man-years to the program.

VI. DEPARTMENTAL ADMINISTRATION

The purpose of this program is to provide the director and his administrators with the management services necessary to carry out their executive duties. The available services include: (1) executive, (2) program administration, (3) fiscal and business management, (4) personnel and training, (5) operations and management analysis, (6) research and statistics, (7) public information, and (8) electronic data processing (EDP) services. The cost of this program for the budget year is estimated at \$5,277,697. Of this amount, \$4,997,487 is distributed to other programs, leaving \$280,210 undistributed. The increase of \$146,838 over the current year is for a workload adjustment and additional staff positions. The workload adjustment amounts to 6.2 man-years and reflects the administrative portion of the total department workload adjustment of 181.1 man-years indicated in Table 3, Analysis page —.

DEPARTMENT OF MOTOR VEHICLES—Continued

Minor Capital Improvements

We recommend a reduction of \$44,520 in Item 187 for the two Sacramento headquarters improvement projects.

The Department of Motor Vehicles is requesting \$54,320 for four projects. Two projects totaling \$44,520 are related to improvements in the Sacramento headquarters building. Due to the extensive fire damage to the building on December 25, 1972, which occurred after the request for minor capital improvements was prepared, the headquarters projects should be deleted until operations are restored in all areas of the building. We recommend approval of the following projects totaling \$9,800:

(1) Modification of annex rooms, Los Angeles office.....	\$7,300
(2) Modifications of planter areas, Santa Ana office	2,500
Total.....	\$9,800

Department of Motor Vehicles

FOR PAYMENT OF DEFICIENCIES IN APPROPRIATIONS

Item 192 from the Motor Vehicle Account, State Transportation Fund

Budget p. 108 Program p. I-642

Requested 1973-74	\$500,000
Estimated 1972-73.....	500,000
Actual 1971-72	500,000
Requested increase—None	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Existing statutes forbid the creation of a deficiency in appropriations from the Motor Vehicle Account, State Transportation Fund. This means that the Department of Motor Vehicles cannot borrow from the regular Emergency Fund to meet unforeseen and unanticipated financial needs. In recognition of this the Legislature for many years has provided a special contingency authorization to protect the Department of Motor Vehicles. In 1965 and 1966, the amount was \$350,000 in each year. In 1967 and 1968, it was \$500,000 in each year and in 1969 and 1970, it was \$250,000.

In recognition of rising costs of services and supplies and the still unresolved problems with electronic data processing, this contingency was increased to \$500,000 in 1971 and 1972. The same amount is included for the budget year. It does not appear in the Budget Bill as an expenditure amount nor does it appear in the Governor's Budget since no actual expenditure from it is forecast.

Public Utilities Commission
GRADE CROSSING PROTECTION WORKS

Item 193 from the State Highway Account, State Transportation Fund

Budget p. L-18 Program p. I-684

Requested 1973-74	\$1,200,000
Estimated 1972-73.....	1,000,000
Actual 1971-72	1,000,000
Requested increase \$200,000 (20 percent)	
Total recommended reduction	None

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

The Public Utilities Commission administers three interrelated railroad crossing safety programs. Financial support for the programs is derived from the State Highway Account in the State Transportation Fund.

Chapter 1302, Statutes of 1961, requires the commission to allocate to cities and counties such money as may be appropriated by the Legislature to assist local jurisdictions in financing the installation of grade-crossing protection devices. The Budget Bill has been used subsequently as the appropriation mechanism for this first railroad crossing safety program which is the purpose of this item. The state contributes 25 percent of the cost of installing each crossing device, local government matches the 25 percent and the railroad company pays the balance.

Secondly, Chapter 1644, Statutes of 1965, provides support for the maintenance of grade-crossing protection devices using the same cost-sharing formula. Chapter 1644 provides for a continuing appropriation of the funds required up to a maximum of \$1 million per year for maintenance purposes from the State Highway Account.

The third railroad crossing safety program is the support of grade-separation construction which physically separates a rail facility from a roadway. Historically, the grade-separation program was supported by a continuing appropriation of \$5 million annually. However, Chapters 1243, 1663, and 1798, Statutes of 1971, have the combined effect of increasing the annual appropriation for this program. During the current year and in the 1973-74 fiscal year, \$15 million will be made available for support of this program. In subsequent years, \$10 million will be provided from the State Highway Account.

Based on projected demand for state matching funds for the 1973-74 fiscal year, the commission estimates a need of \$1.2 million for grade crossing protection devices and we recommend approval.