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would increase again.

Mental Health--Integration

*Reagan signed a law supporting Short-Doyle community health programs on a 75 per cent state, 25 per cent county funding formula. Previously only newer programs had been so funded, with older ones having been funded 50-50.

*Reagan signed the Lanterman mental health bill, which integrated the state hospitals and the community mental health programs into a single, unified system. Under the legislation medical judgment, not fiscal conditions, would determine treatment, and funds would go to the needs having the highest priority. Cannon said the reform was of "immense potential benefit for the mentally ill."

Mental Health--Quality

*Reagan says that the community mental health program in California became a model for the nation.

*Reagan cut the food budget of 79 cents per day per patient by five per cent.

*The policy research firm of Arthur Bolton Associates concluded in January 1970 that the state's mental hospitals were so poor that they could no longer be considered "appropriate places" for the treatment and care of mentally disordered children. It declares that treatment was inadequate, crowding in the wards was acute, and the living conditions for children were starkly depressing.

*The Los Angeles Times said in 1967 that the waiting list for admission to the mental hospitals was at least 1,500 and possibly higher.

*A Danish medical officer visited a California mental hospital and

remarked, "I could not believe my eyes. In our country, we would not treat cattle tha way."

*Reagan approved a law removing the right of a person who is involuntarily detained in a mental hospital to refuse a lobotomy "for good cause."

*Reagan consistently resisted invitations to visit the state mental hospitals to see for himself the effects of the cuts.

*By 1974, the patient population in state hospitals for the mentally ill had dropped from 26,000 to 7,000.

*By 1971, California was the only major state with all its state hospitals fully accredited as meeting prescribed national standards.

*Reagan established new standards providing more space for each mental health hospital patient.

*In 1968, Reagan adopted higher mental health hospital staffing standards based on measured patient needs.

*Reagan appointed boards of medical visitors at all by one of the state mental hospitals to ensure on-going suveillance of hospital operations.

*In 1968, the California Medical Association reported that mental health patient care was better than in 1965.

Mental Health--Spending

*When Reagan entered office, total state funding for the Department of Mental Hygiene was \$213.6 million. Within four years, Reagan raised the budget to \$287.8 million.

*Reagan increased state funding for local community health programs from \$18 million to more than \$104 by 1971.

Venereal Disease

*Reagan encouraged venereal disease prevention courses in all public schools.

*Reagan signed a law exempting venereal disease instruction from sex education regulations. The law required the parent to be notified in writing 15 days before VD classes were to be given. Parents were permitted to inspect VD instruction materials and remove their child from such courses.

*Reagan vetoed a bill to allow schools to require students attend classes on venereal disease. Under the bill, the schools did not have to seek permission from the parents.

*Reagan signed a law providing \$238,000 to the Department of Public Health for venereal disease education, casefinding, and follow-up.

Appointments

*Reagan appointed as state labor commissioner William C. Hern, a bakery executive.

*Reagan appointed as director of the department of industrial relations Albert C. Beeson, executive of a food-processing equipment corporation.

Earnings

*In California, average hourly earnings increased from \$3.05 in 1965 to \$4.73 in 1974, an increase of 55 per cent.

Employment

*Under Gov. Pat Brown, California, with one-tenth of the nation's population, produced one-sixth of the new employment.

*Unemployment dropped from 5 per cent in 1967 to 4.5 per cent in 1968, the lowest level in California since 1957.

*By 1972, employment in California was at an all-time high of 8.3 million, and unemployment rate was dropping twice as fast as it was at the same time a year before.

*By 1974, all major industry groups had increased employment levels from the same time a year earlier.

*In 1975, unemployment in California increased 38 per cent.

Employment Programs

*Reagan signed a law abolishing the Department of Human Resources and creating a Department of Employment Development responsible for job creation activities, manpower development programs, employment placement services, and vocational rehabilitation.

*In 1968, Reagan supported and signed legislation enacting the California Job Development Corporation Law Executive Board to facilitate the flow of public and private capital into low-income areas to stimulate maintenance and expansion of job-producing businesses in an effort to ease unemployment. The Board, called Cal-Job, operated four major programs: Loan Guarantee Program; Small Business Assistance Program; Technology Transfer Program; and California Office of Minority Business Enterprise.

*Reagan chose an industrialist, H. C. "Chad" McClellan, to mobilize private industry in Los Angeles to go into Watts right after the riots to provide jobs for the hard-core unemployed in the area. By the late 1960s, more than 20,000 industrialists in 16 communities, cooperating with the job-training programs, the state and the federal governments, were placing the hard-core unemployed in private enterprise jobs.

*In 1968, Reagan created a statewide blue-ribbon committee to help coordinate his Summer Jobs for Youth Campaign.

*Reagan created the Athletes for Jobs for Youth Program, under which, in 1969 and 1970, athletes toured 42 cities to assist in finding employers to hire youth.

*Reagan put into operation the Community Work Experience Program in all 35 designated counties. Under the program, in 1973, 46 per cent of the employable welfare recipients found jobs.

*During 1974, the various work incentive programs in California put 75,000 welfare recipients into regular jobs, including 47,000 who entered as part of the Community Work Experience Program.

*In Reagan's first year, the State Employment Service placed almost 600,000 people in nonagricultural jobs. Thirty per cent of those placed were minority members.

*In 1968, the summer employment program for youths, many from disadvantaged areas, reached record heights, with 160,000 young people employed.

Illegal Aliens

*Reagan signed a law prohibiting employers from knowingly employing illegal aliens.

Income

*Per capita income in California increased from \$3,457 in 1966 to \$6,555 in 1975, an increase of 190 per cent.

Minimum Wage

*Reagan vetoed a bill extending California's minimum wage laws then applicable only to women and minors, to men. He later signed a similar law.

Occupational Safety and Health

*Reagan signed a law creating the California Occupational Safety

and Health Appeals Board. Under the law, no employee could be laid off or discharged for refusing to perform work in which federal standards were violated; employees could report unsafe working conditions about their work places and could request a state inspection by the Department of Health of the Division of Safety; citations could be issued to the employer and had to be posted near the place where the infraction occurred; employees were given the right to monitor other employees' exposure to hazards; and employees were given access to company and/or state records of employee exposure.

*Reagan said in signing the law he was helping California industry escape a much worse federal law.

Organized Labor

*Reagan signed a law improving the representation and negotiation between school districts and employees. The law declared the right of public school employees to join organizations of their choice and be represented by them.

*According to Boyarsky, Reagan was "surprisingly successful with the labor vote,..."

Right To Work

*According to Steffgen, Reagan opposed right to work legislation.

State Employees--Pay

*From 1967 to 1974, state employees received general and special wage increases totaling 45.6 per cent, or an average of about 5.7 per cent a year. The breakdown: 1967--5.1%; 1968--5.7%; 1969--5.6%;

1970--5.2%; 1971--none; 1972--8.8%; 1973--8.3%; 1974--6.9%.

*In 1971, Reagan sponsored legislation to give state employees the most significant increase in retirement benefits in 20 years. It amounted to about a 20 per cent increase in retirement benefits.

*Reagan sponsored and supported additional fringe benefits for state employees, including overtime pay, night differential, unemployment compensation for state employees for the first time in the state's history, and improvements in employee health benefits (increase in minimum state contribution from \$12 to \$16 a month).

*The 1974-75 Reagan budget provided \$44.9 million to fund a special fringe benefit package for state employees and state university non-faculty employees. The benefit package was equivalent to a 3.1 per cent salary increase for civil service employees.

*In 1969, Reagan signed a law giving salary increases to state government executives, including himself.

*Reagan signed a law shortening the time a legislator must serve in office from 15 years to as little as four years for those elected before 1970 in order to receive retirement benefits. The law permitted retirement benefits for any legislator whose district was affected by reapportionment.

Teachers--Hiring

*Reagan signed a law permitting schools to hire teachers convicted of marijuana use if the school determines that the teacher has been rehabilitated for 5 years.

*In 1969, Reagan supported a proposal to give the university regents veto power over the hiring and firing of professors.

*Former Gov. Brown says Reagan "stepped perilously close to outright political control of professors on philosophical grounds."

Teachers--Pay

*Reagan vetoed a bill to raise the minimum salaries of teachers in California to \$6,000 a year.

*Reagan vetoed a later bill to increase minimum salaries for California teachers from \$6,000 to \$6,800. At the time, California teachers were among the nation's highest paid, with an average 1970-71 salary of \$11,216 for 10 months work.

*In the 1974-75 budget, Reagan provided a 4.73 per cent increase in salaries for the University of California and a 5.45 per cent increase in salaries for the state colleges.

*Reagan narrowed the salary gap between U. C. and state university professors.

Teachers--Retirement System

*Before Reagan took office, the teachers' retirement system was underfunded by \$4 billion, a potential tax burden for local property taxpayers. Reagan put the system on a sound financial footing, ensuring that teachers' pensions would be protected by the stronger financial base.

*Reagan vetoed a bill which would have permitted teachers who had taught in California for 10 years to receive retirement credit for 50 per cent of their out-of-state teaching service, up to 10 years.

Unemployment Compensation

*Reagan signed a law increasing maximum unemployment benefits from \$65 to \$75 a week, the first such increase since 1965.

*Reagan later signed a law increasing maximum weekly unemployment benefits from \$75 to \$90.

*Reagan signed a law extending unemployment disability insurance benefits to pregnant employees.

*Reagan vetoed a bill which would have extended unemployment insurance mandatorily to all farm workers, at an additional cost to the employers of \$34.5 million per year. Since that amount would have been insufficient to pay the total cost, other employers would have been subsidizing agricultural unemployment.

*Reagan supported providing unemployment compensation to state employees for the first time in the state's history.

Workers Compensation

*Reagan provided increases in the workers compensation system amounting to \$142 million per year in new benefits, the largest package of social insurance benefits in the state's history.

*Reagan vetoed a bill to extend workers compensation benefits to domestic workers.

*Reagan signed a law extending workers compensation coverage to female members of volunteer fire department.

*Reagan signed a law to repeal the right of an injured employee to sue other employees who cause injury to him.

Bilingual Education

*In 1967, Reagan signed a law permitting local school districts or private school governing boards to allow bilingual instruction when it is "educationally advantageous to pupils." Steffgen says the law lifted the requirement for a foreign-speaking minority in California to learn English.

*In 1971, Reagan vetoed a bill establishing a bilingual education program in the state.

*In 1971, Reagan signed a law establishing bilingual study programs in San Diego Unified School District and San Francisco Unified School District. The pilot program was designed to ensure students' proficiency in English. The law required the Department of Education to use all available state and federal funds to develop and implement bilingual scholastic aptitude tests to determine the eligibility of youngsters with limited knowledge of English to participate in special classes for the mentally retarded.

*In 1972, Reagan signed legislation appropriating \$5 million in state funds to help develop and make more effective bilingual education programs in California's public schools.

*Reagan's 1974-75 budget provided \$4 million for bilingual education.

Bilingual Materials and Services

*Reagan signed a law requiring assessors in counties having 10 per cent or more Spanish-surname or Spanish-speaking persons, according to the latest federal decennial census, to send notices relating to the homeowner's property tax exemption and senior citizens property tax assistance to homeowners in both English and

Spanish. The law authorized assessors in other counties to send notices in Spanish if they wished to do so.

*Reagan signed a law requiring consumer contracts to be made available in both English and Spanish when they are drawn by persons engaged in a trade or business conducted primarily in Spanish. Violation of the law made the contract voidable at the option of the consumer.

*Reagan, for the first time in the history of the state, made available a Spanish translation of the California Driver's Handbook.

*Reagan's Welfare Director implemented a plan to increase the number of bilingual employees in local welfare offices.

*Reagan's Department of Consumer Affairs placed a high priority on translating its informative brochures into Spanish.

*Reagan's Department of Consumer Affairs conducted the Spanish Speaking Conference and the Spanish Speaking Mothers Association to help protect the rights of Spanish-speaking consumers.

*Reagan's Parks and Recreations Director prepared a Spanish-language guide to the state park system.

*Reagan vetoed a bill which would have required county clerks to have copies in Spanish of the state and countywide measures and of the instructions to voters appearing on the ballot.

Blacks--Appointments

*Reagan appointed more Blacks to important state government positions than any other governor in history.

*Of Reagan's first 100 appointments, 7 were Black.

*Reagan's Director of Veterans Affairs, James Johnson, was the

first Black to ever head a California department.

*Reagan appointed the first Blacks ever to be Chiefs of the Division of Apprenticeship Standards and the Division of Fair Employment Practices.

*Reagan appointed the first Black Director ever to the Office of Economic Opportunity.

*Reagan appointed the first Black ever as Deputy Chief of Protocol for California.

*Reagan appointed the first Black ever to the State Real Estate Commission.

*Reagan appointed the first Black woman ever to the New Car Dealers Policy and Appeals Board. She later served as Board Chairwoman.

*Reagan appointed the first Black woman ever as Trustee of California State University and Colleges.

*Reagan appointed the first Black ever as a Superintendent and Warden of a California Correctional Institution.

*Reagan appointed the first Blacks ever as Deputy Directors of State Agencies and Departments.

Blacks--Communication

*During his 1966 campaign, Reagan seldom made a stop in a Negro community.

*Reagan's rented home in Sacramento was in a neighborhood where there were no Negroes.

*Reagan conducted a series of meetings with Negro leaders around the state. According to Cannon, "the meetings possessed an unsuspected value in educating the governor to the real problems of

minorities in California." However, he says, they were "frankly designed for public relations value."

Blacks--Education

*Reagan supported the establishment of a Black Studies Department at San Francisco State.

Blacks--Financial Assistance

*According to Boyarsky, Reagan slowed aid to the Negro slums.

Blacks--Government Employment

*During the Reagan years, employment of Blacks by the state government increased from 6,901 to 8,499, an increase of 23 per cent. During the same time, the overall state work force rose hardly at all.

Blacks--Health

*Reagan signed a law requiring the Department of Public Health to designate tests for "any identifiable segment of the population which the department determines is susceptible to sickle cell anemia at a disproportionately higher ratio than is the balance of the population."

*Reagan's Department of Public Health established an advisory committee on sickle cell anemia which developed a report for a statewide sickle cell program.

*Reagan added sickle cell disease to the list of conditions eligible for crippled children services treatment funds.

Blacks--Parks

*Reagan supported the establishment of a State historical park at Allensworth, the Tulare County town founded by Colonel Allen Allensworth, a former slave who rose to the highest military rank of any Black of his time. In 1970, Reagan signed a law to study the feasibility of establishing the park and including it in the state park system.

*Reagan appropriated the money for the acquisition of the park.

*In January 1974 the Allensworth State Historical Park joined the state park system.

CRLA

* Reagan attempted to veto funds for the California Rural Legal Assistance Program, charging they were organizing protests against the government. Most of the charges could not be substantiated, and he approved the grant. Steffgen says Reagan succeeded in removing the state's 50 per cent share of CRLA financing, but the federal government restored the funds.

Farm Workers

*Reagan vetoed a bill extending unemployment insurance to farm workers.

*Reagan approved an appropriation for child care for migrant workers.

*Reagan vetoed another bill extending unemployment insurance to all farm workers, at an additional cost of \$34.5 million per year to the employers. Since that revenue would have been insufficient to pay the estimated benefits, other employers would have had to subsidize agriculture.

*Under Reagan, agricultural workers became covered by the orders of the Industrial Welfare Commission.

*Former Gov. Brown says Reagan never sent any farm labor legislation to the legislature and never lent the full weight of his administration to the question.

*Reagan supported legislation aimed at guaranteeing the right of farm workers to chose, by secret ballot, if they want to be represented by a union, and if so, by which union.

Handicapped

*Within his first term, Reagan doubled the number of physically and mentally handicapped who had been rehabilitated and placed in useful employment.

*Reagan provided cost of living increases in benefits for the blind.

*Reagan's 1974-75 budget provided \$19.9 million for a Northern California school for the deaf and blind.

*Reagan brought California up from 11th to third in the nation in rehabilitating handicapped individuals for productive employment.

*Reagan's 1974-75 budget provided \$1 million in additional funds for handicapped children in California development centers. The total number aided under the program at its inception in 1962-- 32 students. The total aided under Reagan's proposed 1974-75 budget-- 2,700 students.

*Reagan signed a law requiring the Department of Education to use all available state and federal funds to develop and implement bilingual scholastic aptitude tests to determine the eligibility of youngsters with limited knowledge of English to participate in special classes for the mentally retarded.

Housing

*Reagan signed a law permitting the Department of Public Works to use state highway funds in replacing owner-occupied housing of low income families whose homes are situated in the right-of-way of a future freeway.

*Reagan signed a law which established a uniform state code for factory-built, pre-fabricated housing and permits inspection of such construction at the factory, prior to being accepted at the site. According to Reagan, the law could substantially reduce the cost of housing construction to low income families in California by cutting through red tape and speeding the end product to the consumer.

*Reagan signed a law which allowed California savings and loan association and banks to invest in National Housing Partnerships under the Federal Housing Act of 1968, with the purpose of developing more low income housing.

*Reagan vetoed a bill to create a state housing finance agency. The bill would have authorized the issuance of a maximum of \$300 million in revenue bonds and \$200 million in general obligation bonds for the development of low and moderate income housing.

*Reagan signed a law--the first of its type in the nation--to provide tax incentives to private lending institutions in California for making real estate loans to low income families in inner city neighborhoods.

Indians

*Reagan signed a law upgrading and expanding education opportunities for California's Indian population. The law established 10

California Indian Education Centers, seven of which were to be in rural settings. The primary function of the centers was to provide tutorial and other supportive services for Indian students in all grades.

*Reagan vetoed a bill appropriating \$1 million annually for Indian health services.

*Reagan prevented the construction of the Dos Rios Dam in Mendocino County, which would have flooded Round Valley and the town of Covello, submerging Indian ancestral lands and necessitating relocation of the residents, including the American Indian population.

Mexican-Americans--Apointments

*Reagan appointed the first Mexican-Americans ever as Deputy Directors of State Agencies and Departments.

*Reagan appointed more Mexican-Americans to important state positions than any other Governor in history.

*Of Reagan's first 100 appointments, 9 were Mexican-Americans.

Mexican Americans--Consumer Protection

*In conjunction with the federal government, Reagan's Department of Consumer Affairs sponsored two field offices in low-income areas of East Los Angeles (Mexican-American) and South Central Los Angeles. Within six months the offices handled 715 complaints which would have otherwise gone unnoticed.

Mexican-Americans--Education

*According to Boyarsky, "When representatives of the Mexican-

American community asked for increased state aid to schools in the urban slums, (Reagan) turned them down..."

Mexican-Americans--Employment

*Reagan signed a law prohibiting employers from knowingly employing illegal aliens. The law was later overturned by the courts.

Mexican-Americans--Government Employment

*By 1974, Spanish Speaking/Surnamed persons, who comprise 13.7 per cent of the California labor force, constituted 5.2 per cent of full-time state employees.

*Between 1965 and 1974, Spanish Speaking/Surnamed state employees increased from 2,382 to 5,477, and increased by 343 from 1973 to 1974.

Minorities--Appointments

*Reagan appointed more minority members than any other Governor in the nation.

*Reagan appointed more minority members than all previous California governors combined.

*Reagan appointed 28 minority judges to municipal and superior court judgeships.

*Reagan appointed the first Filipino women ever as a judge.

*Reagan appointed the first Japanese ever as a Superintendent and Warden of a California Correctional Institution.

*Of Reagan's first 100 appointments, nearly one-fifth (19) were from minority ethnic groups.

*Reagan appointed more than 250 minority members.

*Wilson Riles, the black Democrat elected State Superintendent of

Public Instruction, gave Reagan "extremely high marks on minority appointments."

*Early in 1967, the Reagan's Appointments Secretary initiated a policy of conferring with the Community Relations Unit for assistance on matters regarding recruitment and selection of minority candidates for appointments to state positions.

The Unit compiled a file of bibliographical information for ongoing use in filling appointments.

*Reagan adopted a non-discriminatory appointments system.

Minorities--Business Affairs

*Reagan signed a law making every person licensed to do business in California under the Business and Professions Code subject to disciplinary action if he or she discriminated in business dealings on the basis of race, color, religion, ancestry or national origin.

*See addendum on page 10-A.

Minorities--Consumer Protection

*Reagan's Department of Consumer Affairs assisted ethnic conferences with local consumer groups, federal regional activists, private associations and clubs. The department provided experts in various consumer fields.

Minorities--Education

*Reagan signed a law--the first of its kind in California--creating a state scholarship program for vocational education students.

*Reagan vetoed a bill which would have, in an attempt to increase

Minorities--Business Affairs (addendum)

*Reagan signed a law prohibiting discrimination in the issuance of property and liability insurance on the basis of race, sex, marital status, creed, national origin, or color.

minority representation on the Los Angeles School Board, increased its membership by four, forced the entire board to run for election at one time, and established some policies for the board.

*Reagan established a New Careers in Education Program to help low income and minority students work their way through college as teaching interns in poverty areas.

*Reagan signed a law declaring it to be state policy that educational goals and opportunities were to be provided to individuals, and state that same is a right to be enjoyed, without regard to race, creed, color, national origin, sex, or economic status.

Minorities--Employment

*Reagan developed a State Plan for Equal Employment Opportunity for Apprenticeship, under which minority youths, who represented 20 per cent of California's 28,000 apprentices, would be significantly increased in number.

*Reagan supported and signed legislation enacting the California Job Development Corporation Law Executive Board to facilitate the flow of public and private capital into low-income areas to stimulate maintenance and expansion of job producing businesses in an effort to ease unemployment.

*Under Reagan, the Community Relations Unit established a voluntary affirmative action plan for California's building and construction industry.

*Reagan signed a law requiring contractors dealing with the state to file an "equal opportunity employment" program for state projects. This was additional paperwork since state law already required anti-discrimination clauses in all contracts.

*By 1968, the summer employment program for young people--many of them from disadvantaged areas--reached a record height of 160,000 young people employed.

*In 1967, the State Employment Service placed almost 600,000 people in non-agricultural jobs. Thirty per cent of those placed were minority members.

*Soon after he was elected, Reagan chose an industrialist, H. C. "Chad" McClellan, to go into the Watts area to provide jobs for the hardcore unemployed in that area. More than 20,000 industrialists in 16 communities, cooperating with the job-training programs, the state, and the federal government, placed the hardcore unemployed in private enterprise jobs.

Minorities--Government Employment

*In 1968, Reagan established the Career Opportunities Development Program to develop new employment and career opportunities in the state civil service for disadvantaged and minority persons.

*Reagan provided the leadership and assistance in obtaining a \$1.3 million project grant from the U. S. Department of Labor to expand the program.

*Results of the Career Opportunities Development Program: 63 new entry classes were designed specifically to facilitate the career-oriented employment of minorities and other disadvantaged persons in government service; more than 3,000 individuals were hired into the newly designed classes (five times the number hired previously); 800 persons were promoted into regularly established career positions; 5,000 jobs were contracted for welfare recipients from 1971 to 1974; and approximately 67 per cent of all participants

in the welfare recipient job program were placed into permanent jobs compared to approximately 35 per cent for similar programs.

*Reagan initiated a procedure whereby State agencies had to report progress and developments in affirmative action programs on a continuous basis as they occurred and to furnish reports as requested by the Governor's Office. Previously, such reports were filed only twice a year.

*Reagan approved a redefinition of the California Code of Fair Practices to make "every effort...to correct inequities heretofore imposed..."

*Reagan issued several executive orders and memoranda declaring that non-discrimination is the policy of the executive branch and all of State government.

*Reagan requested that all state agencies and departments develop their own Affirmative Action plans with goals and timetables to achieve the full purpose of the Affirmative Action Plan and the Code of Fair Practices and State and Federal Equal Employment Opportunity laws.

*Reagan established one of the most comprehensive ethnic data systems in the nation to enable full and careful review and scrutiny of minority hiring.

*The Reagan Administration discontinued civil service written examinations where they were not necessary.

*Minority Employment with the state increased 50 per cent during Reagan's eight years, while overall employment figures remained virtually the same. The number of minority employees increased from 14,745 to 21,357. During one six-month period late in the Administration, 2418 per cent of all new appointments to

a state job went to a minority member.

*The proportion of minority employees in the state civil service increased to 17.4 per cent in 1974.

*Black and Asian minority groups achieved representation in the state civil service approximately equal to their representation in the California labor force.

Minorities--Relations

*Reagan established the Community Relations Unit in 1968.

*In 1970, the Community Relations Unit started its minority appointees workshop series. Since 1970, a statewide workshop was held annually, and regional workshops were held in San Francisco-Oakland and Los Angeles in 1973. The workshops produced a total of 165 recommendations relating to minority affairs. Over fifty per cent were supported by the Reagan Administration.

*Reagan raised the level of Assistant to the Governor for Community Relations to senior staff status.

*Reagan placed special representatives of the governor's office in each of the state's six multi-service centers to serve as community relations consultants.

Minorities--Small Business

*Reagan signed legislation creating a small business office in the Department of General Services to ensure that a fair proportion of the State's purchases go to small businessmen.

*Reagan implemented the Small Business Assistance Program to provide management assistance to small businesses. Assistance provided included loan preparation, loan acquisition, and post loan assistance. The program resulted in over 15 million dollars in

loans being obtained for small businesses by the end of 1973.

*Reagan implemented the Loan Guarantee Program, under which private banks formed regional job creation corporations to make loans to small businesses which could not acquire financing through normal channels. By the end of 1973, over 100 small businesses had acquired loans in excess of 4 million dollars.

*Reagan implemented the Technology Transfer Program, designed to give California business people the benefits of new products and processes developed in private and government research.

*Reagan placed the State Office of Minority Business Enterprise in his Cal-Job program in 1973. The office helped expand State state procurement and construction opportunities for minority entrepreneurs.

Open Housing

*Reagan's Department of Real Estate arranged a meeting between leaders of the Black organized real estate industry and the leaders of the White organized real estate industry, which resulted in the two groups for the first time ever agreeing to work toward solving mutual problems.

*In 1972, the Reagan Administration began holding a series of joint meetings with the leadership of the California Real Estate Association and the California Association of Real Estate Brokers for discussing and developing a plan for a color blind real estate industry.

*Reagan at first campaigned against open housing and urged its repeal. Then in 1968 he announced he would veto any attempt at outright repeal of the Rumford Housing Law.

*Reagan supported a compromise bill--which was ultimately defeated--which would have: authorized the state to pay the legal costs for any Negro bringing suit against a White tenant or landlord; changed the law so that a violator could be held responsible under both the Rumford Open Housing Law and the Unruh Civil Rights Act for the same violation; and changed the Rumford Act so it would no longer apply to single-family homes but introduced a provision that realtors could not discriminate, even when acting on specific instructions from their clients.

Poor

*Reagan's Department of Consumer Affairs, in conjunction with the federal government, sponsored two field offices in the low-income areas of East Los Angeles and South Central Los Angeles. Within six months the offices handled 715 complaints which would have otherwise gone unnoticed.

*Reagan signed a law permitting the state to lease non-operating parcels of highway rights or excess lands to local government for use as mini-parks and recreational areas.

*Reagan initiated the "Project Sandlot" program for the creation and development of recreational facilities in low income areas.

*Reagan brought 800,000 persons, then on county medical aid, into the Medi-Cal program. These were poor persons, with less than \$5,000 per year income for a family of four who had not been eligible for Medi-Cal previously.

*Reagan's Parks and Recreations Director encouraged state park programs for city slum children.

*Reagan signed a law declaring it to be state policy that educational goals and opportunities shall be provided to individuals, and stating that same is a right to be enjoyed without regard to, among other things, economic status.

*According to Boyarsky, Reagan was not even "willing to increase spending in the slums for the thing that would strike at one of the causes of unemployment--education."

*Reagan consistently cut back on budgets for low income housing programs, according to former Gov. Brown.

*Reagan closed down a score of service centers in the state, which were providing help to the minority poor in job placement, training and other opportunities, according to Brown.

*According to Brown, Reagan vetoed more federal antipoverty grants to California than any other governor, including George Wallace of Alabama.

*In the same month Reagan approved the big salary increases for himself and other state executives, he reduced a \$5 million appropriation for the Needy Children's School Lunch Program down to \$500,000.

*Reagan approved a \$750.00 permanent dwelling property tax assessment exemption, especially for the benefit of low income homeowners.

Renters

*Reagan approved relief for renters permitting increased standard form income tax deduction.

Senior Citizens

*Reagan signed a law requiring hospitals, and similar institutions, notably convalescent homes, to install sprinkler systems for protection of their patients.

*Reagan broadened senior citizen property tax assistance for farmers by raising their gross income limitation from \$10,000 to \$20,000.

*Reagan approved cost of living increases in senior citizen aid.

*Reagan provided \$46 million in new property tax relief for senior

citizens, ranging from 32 per cent for those at the \$6,000 a year income level to more than 80 per cent at \$3,000 a year and below, and up to 92 per cent in the lowest income bracket.

Veterans

*Reagan provided children of P.O.W.s and missing servicement free tuition at the state's institutions of higher learning.

Youth

*Governor Reagan created in 1968 a statewide blue-ribbon committee to help coordinate his Summer Jobs for Youth campaign.

*Reagan initiated the Athletes for Jobs for Youth program, under which, in 1969 and 1970, athletes toured the state to help locate and produce job opportunities for youth.

*Reagan signed a law prohibiting schools from testing pupils regarding personal beliefs or practices in sex and religion without written permission of parent or guardian.

*Reagan supported the lowering of the voting age to 18.

*Reagan appointed college student representation to the State Park and Recreation Commission.

*Reagan named students to other key state boards and commissions.

*Reagan instituted on student recommendation a series of meetings with elected student leaders from the University and colleges to establish direct channels of communication with students.

*Reagan appointed student leaders to his personal staff.

REAGAN RECORD ON ... SPENDING

Administrative Costs

*By September 1972, administrative costs of state government had increased only 1.9 per cent in per capita constant dollars.

*True increase in state funding under Reagan (not counting increased grants to local governments) was about 30 per cent, less than the increase in inflation.

*Within his first two months, Reagan had increased the operating budget of the Governor's office by 18 per cent.

*In his first budget, Reagan reduced operating costs by \$127 million--the largest economy accomplished in the history of state government (an 8 per cent reduction), according to Reagan.

Budget--Allocation

*Under Reagan, the percentage of the budget going for state operations shrank from 48 to 34.5 per cent, while the percentage for local assistance increased from 52 per cent to 65.5 per cent, according to James Dickenson.

Budget--Cuts

*In his first budget message, Reagan announced a 10 per cent across-the-board reduction of operating costs of all state departments. Legislative analyst A. Alan Post said that "failure to identify specific items of reduction made analysis of the real

fiscal or policy issues involved in the 10 per cent cut impossible."

*Reagan cut the operating expenses in the first year by \$127 million. Hill says this was 3 per cent of the total budget, but, according to Edwards, the cut was 8 per cent in the administrative budget.

Budget--Growth

*By 1968, Reagan had reduced the rate of budgetary growth from 16 to 8 per cent.

*Under Reagan's first budget, total expenditures came to \$184 million more than the actual spending under Pat Brown's last budget --"the smallest increase in any year since I have been in office, according to Minority Leader Robert Monagan.

*During Reagan's years, state spending grew at 1½ times the rate of state personal income growth.

*Between World War II and 1969, the cost of government in California, corrected for inflation, rose five times as fast as the population.

*While Reagan was governor, average state budgets grew more rapidly than did California's budget.

*Under Reagan, per capita spending increased from \$426 to \$768 a year, an increase of 80.3 per cent. At the same time, New York's per capita outlays increased from \$457 to more than \$1,000--an increase of more than 118.8 per cent.

Budget Growth--Compensating Factors

*According to Boyarsky, "In the opinion of most economy-minded legislators--Democrats and Republicans--there was no way to make immediate substantial reductions in the cost of California government.

*During Reagan's tenure, inflation was 44 per cent.

*According to U. S. News & World Report, "most agree that if Reagan had not pursued a policy of 'squeeze, cut and trim,' California's taxes and spending would be much higher than they are today."

Budget--Size

*Reagan's first budget--\$5.06 billion--was at that time the largest state budget in U. S. history. The budget was \$434 million than Reagan had originally asked for.

*In 1966, California's budget was second in size only to the federal government's. By 1971, it was fourth, behind the federal government, New York State, and New York City. In fact, it was \$2 billion less than New York City's budget.

Budget State--Before Brown (Pat)

*Between 1945 and 1968, state spending increased 1552 per cent.

Budget State--Brown (Pat)

*Brown left Reagan a \$194 million budget deficit. Brown had resorted to questionable accrual accounting by which the state considered as twelve-month income the revenue collected over fifteen months. Brown's administration justified this fiscal techniques on the ground that Republicans would not approve meaningful tax reform. Accrual accounting is usually financed at the time it is instituted. According to Cannon, the Brown administration's aim "was not to change the accounting syste, a change that may very well have been desirable, but to elect Brown for a third term and keep his own political future intact."

*When Reagan came to office, the state was spending \$1 million a day more than it was taking in.

*By 1966, California's population was increasing 3 per cent a year and spending was going up 12 per cent. In Brown's last year, spending jumped to 16 per cent increase, or 5 times the rate of population growth.

Budget State--Reagan

*Within 18 months Reagan turned a deficit budget into a balanced one. The final 1967-68 budget was approximately within the projected increase in state revenues due to economic growth.

*According to Steffgen, Reagan padded each surplus with new spending every year, leading to another deficit--\$170 million--going into 1971.

*Budget during the Reagan years (in billions, where applicable):

| Fiscal Year | State Operations | % of Total | Local Assistance | % of Total | Total Budget | Amt. Incr. | % Incr. | Surplus/Deficit |
|-------------|------------------|------------|------------------|------------|--------------|------------|---------|-----------------|
| 1966-67 | \$2.2 | 48.0 | \$2.4 | 52.0 | \$4.6 | ----- | ----- | -\$194 m |
| 1967-68 | 2.3 | 45.6 | 2.7 | 54.4 | 5.0 | \$0.35 | 7.1 | +174 |
| 1968-69 | 2.5 | 43.9 | 3.2 | 56.1 | 5.7 | 0.66 | 11.6 | + 309 |
| 1969-70 | 2.7 | 42.8 | 3.6 | 57.2 | 6.3 | 0.63 | 10.0 | + 145 |
| 1970-71 | 2.6 | 39.2 | 4.0 | 60.8 | 6.6 | 0.25 | 3.9 | - 170 |
| 1971-72 | 2.6 | 39.3 | 4.1 | 60.7 | 6.7 | 0.13 | 1.9 | + 256 |
| 1972-73 | 2.9 | 39.4 | 4.5 | 60.6 | 7.4 | 0.74 | 9.9 | + 619 |
| 1973-74 | 3.4 | 35.6 | 6.2 | 64.4 | 9.6 | 1.89 | 20.3 | + 180 |
| 1974-75 | 3.5 | 34.5 | 6.7 | 65.5 | 10.2 | .97 | 6.1 | + 554 |

*Reagan brought California its first adequately balanced budget in four years. It was more than Earl Warren had achieved as governor in a similar span, and, according to Cannon, more than most governors

had attempted.

Budget State--Reagan Legacy

*Reagan left California a surplus of more than \$500 million.

*In contrast to Brown's daily deficit of \$1 million, by 1973 Reagan was collecting \$1.5 million a day more than the state needed.

Public Opinion

*Surveys during the middle of Reagan's administration showed that his efforts to cut state expenditures and balance the budget was the third factor (behind handling of campus disruptions and attempts to lower taxes) most approved by the public.

Public Relations

*According to Lewis, "By the start of his second legislative session, it was clear that Reagan had misled his most dedicated supporters into believing that he could cut spending. During the campaign, when he accused Pat Brown of not leveling with the people, he sounded convincing; but in just one year he had slipped into the same evasions and self-deceptions.

Vetoed

*Reagan vetoed or reduced legislative spending proposals by more than \$2 billion that would have been added to the state's tax bill.

Robert Beverly, Republican leader of the assembly, said Reagan quashed some 2.3 billion dollars in legislative spending proposals.

*In his last year, Reagan vetoed 199 bills.

*The legislature overrode Reagan's veto once in the entire eight years--on a bill requiring legislative approval before the closure of any state hospital.

Wasteful Spending

*After expenditures of more than \$25 million--at the same time Reagan was cutting mental health and higher-education expenditures--Cal Expo produced such a limited public benefit that its attendance reached only one-fifth of the estimates, the management was fired and the administration subsequently reduced the exposition to a sixteen-day fair.

*In his first budget, after proposing savings of \$270 million, Reagan restored \$113 million and added \$374,650,000 million.

Business Inventory Tax

*Reagan signed a law increasing the business inventory tax exemption from 15 to 30 per cent for two years. He reduced the business inventory tax by 50 per cent.

Cigarette Tax

*Reagan signed a law appropriating 70 per cent of the floor stock and indicia adjustment tax on cigarettes to cities and counties, in proportion to their sales tax revenue.

City Income Tax

*Reagan signed a law prohibiting a city from levying an income tax on non-residents who work in the city.

Induced Surplus

*According to U. S. News & World Report, some critics claim much of Reagan's tax relief was simply a correction of unnecessary tax increases in the first place.

*Warren Carroll, then Sen. John Schmitz's A. A., says that only half the nearly one billion dollar tax increase Reagan levied in his first year could be blamed on Brown, with the remainder all new spending. He says the \$500 million could instead have been raised by a one per cent rise in the sales tax and by cigarette and liquor tax increases.

*According to Cannon, "early in 1969...Finance Director Caspar Weinberger unveiled a \$6.2 billion with an embarrassingly large surplus --the result of both a tax increase that took more than was necessary, as the right-wingers had predicted, and of the

unanticipated failure of the federal surtax to quickly brake the nation's inflation. Reagan then claimed, in reference to new expenditures, that "at no time were we solely concerned with economy (in reference to mental health)."

Inheritance Tax

*Reagan signed a law restructuring the Inheritance Tax Appraisal System for protection of heirs, providing that the appraiser fee shall be based only upon the value of items appraised by him.

Minimum Tax

*In 1971, Reagan, because of various loopholes sheltering his investments, paid no state income tax, an embarrassment that, when brought to light, prompted him to sign a minimum income tax bill. The minimum tax was 2½ per cent.

Oil Depletion Allowance

*Reagan reduced the oil and gas depletion allowance from 27½% to 22%.

Property Tax Relief

*Reagan enacted the first comprehensive property tax relief program in California's history.

*In 1974, property tax rates were rolled back in half the state's school districts.

*In 1974, for the first time in 23 years, the average property tax rate in California declined.

*Before Reagan's property tax relief, California's property taxes

were the highest in the nation.

*Following Reagan's welfare reform, 42 of California's 58 counties lowered their property tax rates.

*45 of California's 58 counties reduced their basic county-wide property taxes for 1973-74, many for the second year in a row.

*Reagan's extra spending for local assistance permitted the easing of local property taxes on homeowners by an average of \$225 per family.

*Reagan left behind a system of dispersing \$1 billion in property tax relief each year to local governments.

*Even with the exemptions, the property tax bite in California almost doubled in the eight years of Reagan's administration. According to Steffgen, the worst of this came out of the middle and upper income and commercial sectors.

*Property taxes increased by \$4.065 net under Reagan.

*Property tax relief went to local governments, not to the property owners.

*To pay for the property tax rebates, Reagan had to raise other taxes.

*According to Brown, "While Reagan's so-called property tax reform may well have benefitted owners of single family residences, it hit them a staggering blow in other increased taxes. Big property owners realized huge savings and paid little if anything more in new taxes."

*Democrat George Miller called Reagan's property tax relief a hoax because it would be financed out of increased sales taxes imposed on consumers. Unruh argued that the contention was incorrect because California's sales tax exempts food, shelter, and medical

expenses.

Property Tax Relief--Examples

*Reagan approved a \$750 permanent dwelling property tax assessment exemption.

*Reagan abolished personal property tax on household effects.

*Reagan supported elimination of tax exemption for church-owned businesses which operate for profit.

*Reagan broadened senior citizen property tax assistance for farmers by raising their gross income limitation from \$10,000 to \$20,000.

*Reagan approved \$46 million in property tax relief for senior citizens, ranging from 32 per cent for those at the \$6,000 a year income level to more than 80 per cent at \$3,000 a year and below, and up to 92 per cent for those in the lowest bracket.

*Reagan, in 1972, sponsored and signed into law an increase in the homeowner exemption to \$1,750.

*Under Proposition 1-A in 1968, Reagan provided a \$70 refund to homeowners to offset high property taxes.

*Reagan signed a law restoring direct control of school tax ceilings. The law repealed another law which would have prevented voters from voting directly on tax overrides.

*Reagan vetoed a bill which would have permitted school districts to levy an additional permissive override tax (not requiring voter approval) for a specified program, in this case a nutrition program.

*According to Steffgen, Reagan signed a law which would abolish the school tax limitation on local school boards entirely.

*By bringing 800,000 persons then on county medical aid into the state Medi-Cal program, Reagan brought \$61 million of federal funds into the state, enabling the state to remove this burden from county taxpayers.

Proposition 1

*Reagan sponsored Proposition 1 in 1973. The measure would have put an eventual ceiling of 7 per cent on the amount of taxes California state and local governments could impose upon their citizens.

Proposition 1--Arguments Against

*Legislative Analyst A. Alan Post concluded that Proposition 1 "may well add to the total cost of government in California, with functions being carried out by the wrong level of government, using the wrong kinds of taxes and in a bureaucratic and costly manner."

*Bob Moretti, the chief legislative opponent of Proposition 1, argued that Proposition 1 was an effort to reduce income taxed collected from the wealthy at the expense of the less affluent; that it would force deep program cuts; that it would force future administrations to tap other sources of revenue to continue needed services (those other taxes would include sales and property taxes, both unfair to low- and middle-income persons; that it was an attempt by the minority to repeal the will of the majority, since a minority of 14 Senators could prevent any program from being funded.

*Post said that existing state programs would have to be cut back by \$1 billion in the four years following the passage of Proposition 1.

Proposition 1--Campaign

*Having Proposition 1 on a separate ballot cost California millions of dollars.

*The opposition campaign was funded heavily by public employees.

*According to former Gov. Brown, the pro-1 forces outspent the anti-1 forces by more than 5 to 1.

Proposition 1--Factors In Defeat

*Proposition 1 was long, complex, and written in legal jargon.

Trying to read it confused most people, and confused people usually vote no. In a postelection survey, 69 per cent of the people who said they voted no said also that they thought Proposition 1 would increase taxes.

*On an election eve television program aimed at getting out the facts, Reagan was asked, "Do you think the average voter really understands the language of this proposition (Proposition 1)? Reagan's reply: "No, and he shouldn't try. I don't either."

*Reagan campaigned vigorously for Proposition 1, but admitted time and again that he really did not understand it.

*Post's analysis was disputed by the National Tax Foundation, but not by Reagan's own Department of Finance. Director Verne Orr denied a request from the Tax Reduction Task Force for his staff to estimate the next five years of state revenues if Proposition 1 were to pass, on the basis that no five-year projections could be considered reliable.

Proposition 1--Results

*Proposition 1 was defeated, 54 to 46 per cent.

*According to M. Stanton Evans, Proposition 1 "spawned a series of parallel efforts in 20 other states, transferring the momentum of political agitation on such issues away from the spenders and toward the savers."

Public Opinion

*Surveys during the middle of Reagan's tenure showed his attempts to lower taxes to be the action by Reagan second most approved by the public (behind Reagan's handling of campus disturbances).

Sales Tax

*Reagan signed a law closing a variety of sales tax loopholes, such as conforming use tax on out-of-state non-dealer car sales with in-state sales, imposing sales tax on take-out foods (except gum and candy), etc. The measure raised \$15.7 million in revenue for the state and \$4.6 million for local governments.

*Reagan signed a law authorizing a sales tax on gasoline (previously exempted).

Self-Employment Deduction

*Reagan approved deductions for self-employed individuals who deduct contributions to pension and profit-sharing plans under the Federal Self-Employed Tax Retirement Act of 1962.

Tax Increases--Before Reagan

*Between 1948 and 1966, per capita taxes in California increased from \$47.51 to \$157.36, an increase of 331 per cent over 19 years.

Tax Increases--Reagan

*Taxes Under Reagan:

| F.Y. | Local (bil.) | State (bil.) | Total (bil.) | Per cap. (\$) | Adj. for inf Per cap. (\$) |
|---------|--------------|--------------|--------------|---------------|-------------------------------|
| 1966-67 | \$4.3 | \$3.8 | \$8.1 | \$426.26 | \$426.26 |
| 1967-68 | 4.7 | 4.7 | 9.4 | 484.66 | 466.92 |
| 1968-69 | 5.2 | 5.2 | 10.4 | 529.56 | 489.88 |
| 1969-70 | 5.7 | 5.4 | 11.1 | 556.49 | 489.01 |
| 1970-71 | 6.6 | 5.6 | 12.2 | 605.29 | 508.65 |
| 1971-72 | 7.3 | 6.6 | 13.9 | 682.98 | 555.72 |
| 1972-73 | 8.0 | 7.2 | 15.2 | 739.82 | 577.98 |
| 1973-74 | 8.4 | 7.6 | 16.0 | 768.44 | 556.84 |

*The state tax burden rose faster under Reagan than under Brown, according to Dr. Richard Whalen, and at about the same rate as under Brown, according to Time.

*State taxes grew faster under Reagan than under Brown because of Brown's shift in state accounting system and Brown's toleration of a growing budget deficit in his last year.

*According to the Los Angeles Times, "the Legislature must share with Reagan the responsibility for the fiscal roller coaster ride the state has been on as a result of tax legislation in the past eight years. Also to blame for the ups and downs are inflation and, in the middle Reagan years, a badly fluctuating national economy."

*While state and local taxes doubled under Reagan, they almost tripled in New York during the same period.

*According to U. S. News and World Report, "most agree that if Reagan had not pursued a policy of "squeeze, cut and trim," California's taxes and spending would be much higher than they are today."

Tax Increases--Reagan--Examples

*Reagan levied the largest tax increase in the history of any state, increasing taxes \$944 million in 1967, and \$1.01 billion in 1968. According to Cannon, Reagan's billion dollar tax increase was distributed "relatively equally among the tax-producing segments of California's economy.

*According to the Wall Street Journal: "It should be noted that Mr. Reagan really hadn't any choice except to back a big tax increase his first year in office; the previous Democratic administration had left the state in financial straits.

*Securing the first big tax increase was a major victory for Reagan, made possible only because the Republican governor and the Democratic speaker had collaborated.

| *Tax increases: | 1966-67 | 1974-75 | Per cent increase |
|----------------------|--------------|-------------|-------------------|
| Sales tax | \$1.053 bil. | \$3.67 bil. | 248% |
| Personal income tax | 500 mil. | 2.52 bil. | 404% |
| Bank and corp. tax | 453 mil. | 1.18 bil. | 160% |
| Propy(after rebates) | 3.76 bil. | 7.38 bil. | 96% |
| Gas tax | 548 mil. | 767 mil. | 40% |

*According to U. S. News and World Report, almost every major tax in California went up under Reagan. Sales: from 4 per cent to 6 per cent, including 1 per cent for localities. Cigarette: from 3 to 10 cents a pack. Gasoline: unchanged at 7 cents a gallon. Personal income: Eliminate taxation on those earning less than \$8,000 a year, reducing taxes on low- to middle-income wage earners, increasing rates in the upper brackets to a top of 10 per cent. Corporate taxes were raised, but offset by a 50 per cent reduction in the business inventory tax. Assessments

on utilities were reduced.

*The maximum personal income tax was increased from 1-7 per cent; the bank and corporation tax from 5½ to 9 per cent; the liquor tax from \$1.50 to \$2.00 per gallon; the top state income tax bracket from 10 to 11 per cent.

*Reagan eliminated the \$3,000 exemption for married couples, plus the \$600 exemption for dependents, and substituting \$50 for all married couples, plus \$8 for each dependent, which ended up a net gain to the state.

*Under Reagan's first tax increase, the personal income tax taken from every Californian doubled in a single year.

Tax Rebates

*Reagan gave three rebates on personal income taxes, totaling \$1.2 billion. Included were an \$87 million rebate in 1970, the first rebate of its kind in California history (the rebate was in the form of a 10 per cent deduction from each individual's state income tax--the same law limited the tax credit to \$100 for single persons and \$200 for married persons filing jointly); a one-time 20 per cent tax rebate for 1971 taxes, resulting from the "withholding windfall," totaling \$235 million; and a 1973 rebate of 100 per cent for taxpayers with incomes below \$8,000 a year, ranging to \$20 per cent for those with incomes of \$25,000 or more, for a total of \$721 million, an average of \$35 per resident rebated.

*Reagan suspended collected of a penny of the sales tax for six months.

Tax Relief

*Reagan gave a total of more than \$5.7 billion in direct tax relief between 1967 and fiscal year 1974-75.

Withholding

*Reagan originally opposed withholding on the grounds that "taxes should hurt." He said his feet were "set in concrete" on the issue, and that he would veto any bill containing it.

*Eventually, Reagan acquiesced to semiannual withholding, which only would have increased paperwork without smoothing the cash flow.

*Finally, when confronted with the likelihood of raising personal income taxes by 10 per cent in the year he had to face re-election, Reagan, on February 3, 1970, presented a proposal for payroll withholding he claimed would yield at least \$150 million per year in new revenue beginning in 1971.

*Reagan said the will of the people now demanded withholding. The

| polls: Prefer: | May 1968 | May 1967 |
|-------------------|----------|----------|
| Pay-as-you-go | 58% | 47% |
| Lump sum payments | 34% | 44% |
| Qualified | 2% | 5% |
| Don't know | 6% | 6% |

*California, without withholding, was losing millions each year because its collection system did not bring in enough money to make it worthwhile to catch evaders. Proponents of withholding argued that California would get an additional \$60 to \$80 million the year it went into effect.

*In 1972, Reagan provided a 20 per cent tax credit on 1971 income taxes as a result of the withholding windfall to the state government.

REAGAN RECORD ON ... TRANSPORTATION

Bridge Tolls

*Reagan reduced bridge tolls 11 times, including a reduction from 75 cents to 50 cents on the Richmond San Rafael Bridge in 1972.

Drunk Driving

*Reagan signed a law requiring that the testing of blood, breath, tissue and urine for law enforcement agencies be done only by laboratories licensed by the State Board of Public Health.

*Reagan signed a law establishing uniform guidelines for drunk driving by establishing presumptive limits of intoxication based on chemical analysis of a person's blood, breath or urine.

Highway Patrol

*Reagan doubled the size of the California Highway Patrol.

Highway Projects

*Reagan added more than a thousand miles of freeway and expressway.

*Under Reagan, the state built more than \$200 million worth of highway projects ahead of schedule--all paid for out of savings from economies instituted in other highway projects. This was equivalent to a 1½ cent increase in the gasoline tax.

*Reagan signed a bill authorizing a sales tax on gasoline, with the revenue to be used for rapid transit in urban counties and for highways in rural areas.

*Reagan led the successful fight to delete federal highway through the Minarets.

Highway Safety

*Reagan signed a law requiring the filing of an accident report with the Department of Motor Vehicles by the driver involved in an auto accident where the resulting property damage exceeds \$200, rather than \$100.

*Reagan signed a law requiring the revocation of drivers license of a juvenile found guilty of committing certain serious offenses, such as manslaughter with a vehicle or driving while under the influence of alcohol or drugs.

*Reagan completed 970 highway safety projects, which were emulated in other states.

*Reagan began construction one year ahead of schedule on \$52 million worth of freeway and highway safety projects--all because the money had been saved by instituting modern business practices in other highway projects.

Mass Transit

*Reagan signed a law authorizing a sales tax on gasoline, with the revenue to be used for rapid transit in urban counties and for highways in rural areas.

Traffic Deaths

*Reagan reduced traffic fatalities to an all-time state low of 3.9 deaths per 100 million miles of travel (1972). Since 1967, the fatality rate had been reduced by a full 20 per cent. California was the only major state with such a dramatic declining rate of fatal accidents. The national average continued to climb as well.

Anti-Fraud Measures

*Before Reagan's welfare reform, it was possible for a man to receive up to \$16,800 a year and still be collecting welfare.

*Within a year following passage of the Reagan reform, convictions for fraud doubled from 1,533 to 3,116 in 1972.

*Reagan limited work related expenses to \$50 per month plus child care.

*Reagan signed a law stating that parents are liable for normal household needs of disabled recipients residing with them.

*Reagan required financially able parents to support minor children who leave home to go on welfare.

*Reagan required that recipients with jobs be taken off welfare when their outside income exceeds 150% of the basic need.

*Reagan required that adult children must contribute to the support of their aged parents who are on welfare.

*Reagan required that outside income be averaged over a 12-month period in determining eligibility, to eliminate cases such as a teacher who is paid \$12,000 for nine months work and receives welfare the other three months.

*Reagan required that able-bodied recipients take job training or work on public works projects for at least four hours a day in their communities.

*Reagan signed a law providing that if an unemployed parent is absent from assigned community work or training project without good reason, aid to the unemployed person and his family would be reduced in an amount equal to the hourly rate of aid times the number of hours absent.

*Reagan instituted a one year residency requirement for adults who

move into counties with unemployment in excess of 6 per cent. ...

*Reagan required that welfare recipients who leave the state have their welfare checks cut off after 60 days.

*Reagan instituted a new set of cross-checks designed to force parents who desert their children to pay child support.

*Under Reagan, the state gave broader powers to the counties to make absent fathers pay for the support of their families. Counties were allowed to seize property and attach wages, and in Los Angeles County, 55 per cent of these absent fathers were arrested in one raid. It was only a matter of weeks before 700 other agreed voluntarily to support their families.

*Reagan allowed recipients a maximum of \$1,000 in personal property (plus household furnishings, clothing, car, and heirlooms).

*Reagan developed stronger regulations aimed at discontinuing welfare grants to individuals who seemingly use the grant for purpose of travel abroad.

*Reagan signed a law stiffening the penalty for AFDC fraud.

*According to former Gov. Brown, a program using computers to check welfare recipients' incomes and employment records proved so costly that it was quietly abandoned and no figures became available on its effectiveness while in use.

*Warren Carroll, John Schmitz's Administrative Assistant, charged that Reagan had appointed a state social welfare director, John Montgomery, who had opposed or remained neutral to every legislative attempt to take action against waste, abuse and fraud in welfare spending.

Anti-Poverty Programs

*Reagan's fourteen vetoes of anti-poverty projects (four of which vetoes were later rescinded) were even more than the number of vetoes by the late Lurleen Wallace, governor of Alabama.

*Reagan accepted all but \$535,000 of the \$100 million a year that annually flowed into California from the federal government.

*According to Cannon, most of the vetoed projects were marginal by any standard, and one was a political "hot potato" in federal difficulty because it trained farm workers for agricultural union agitational purposes.

*According to Cannon, "there is little doubt that the over-all effect of Reagan's vetoes was to discourage submission of the more radical anti-poverty projects. The psychological impact of the fourteen vetoes will never be known."

*Reagan, in his only appearance before Congress as governor of California, testified that the Family Assistance Program would be a disaster for the state and for the nation.

Benefits

*Reagan provided a 30 per cent catch-up increase in benefits under California's welfare program and a cost-of-living escalation feature.

*Reagan raised grants to the neediest by an average of 42 per cent.

*AFDC recipients were guaranteed an annual cost of living adjustment, a benefit which previously had been available only to those in the adult aid category.

*Reagan increased benefits for recipients with no outside income. Families of four had previously been receiving \$255 per months

with food stamps included. Under Reagan's reforms, they were entitled to \$315 tax-free each month with free medical care.

*Reagan raised grants to the poorest recipients to one of the highest levels in the nation.

*According to Steffgen, at one point Reagan supported a proposal from D. C. for "vacation residence exchange," an ongoing program to give welfare recipients freedom to travel and visit each other, both within and between states, with their air and bus fare paid for by the taxpayers.

*Reagan increased grants from \$175 per month when he took office to \$261 when the reform was enacted to \$349 by 1976.

*Reagan left California with constantly increasing welfare benefits to recipients.

Cost--Before Reagan's Reform

*From 1960 to 1970, the cost of California's welfare system had risen to more than \$2.5 billion per year, a fourfold increase.

*The largest category of public assistance, Aid to Families with Dependent Children, grew by 25 per cent during 1968-69, when the state was enjoying its lowest rate of unemployment in fifteen years.

*In California during the three years previous to the Reagan reform, the state welfare budget had been growing at a rate of 20 per cent.

*From 1962 to 1972, nationwide expenditures for welfare had risen 340 per cent.

Costs--Following Reagan's Reform

*Growth in the welfare budget was reduced to 7 per cent during the first year following Reagan's reform, compared to an average rate of increase of 20 per cent for the previous three years.

*In Reagan's eight years as governor, according to Steffgen, welfare costs rose a total of 42 per cent.

*Following Reagan's reform, 42 of California's 58 counties lowered their property taxes within the first year.

*Savings in state and local taxes, as a result of Reagan's welfare plan, by the most conservative estimates (according to Hobbs) were more than \$2 billion, with another \$2 billion saving in federal taxes. The figure was obtained by projecting the caseload growth rate at the time Reagan's reform was instituted.

Employment

*Reagan implemented the Community Work Experience Program to identify able-bodied recipients as employable, and put the program into effect in 35 designated counties. By 1973, in those counties with the program, 46 per cent of the employable welfare recipients who registered found regular jobs.

*Under Reagan, the various work incentive programs put more than 75,000 welfare recipients to work in 1973, including 47,000 who entered the job market because of the Community Work Experience Program.

*Under the Community Work Experience Program, able-bodied welfare recipients who refused to participate, without good cause, were removed from the welfare rolls.

*Brown says that only 1,134 persons participated in the Community

Work Experience Program in the first year, and only 1,040 participated in the first nine months of the second year, although the program was structured for 58,776 participants.

*Reagan established the Career Opportunities Development Program which placed approximately 67 per cent of all participants in the welfare recipient job program into permanent jobs as compared to approximately 35 per cent success rate for similar programs.

Reagan Program

*The Reagan Program was at least partially formulated by Reagan's Welfare Reform Task Force.

*The program was instituted in the spring of 1971.

*According to Brown, Reagan's original proposal sent to the legislature "sought to tighten eligibility requirements for the totally disabled, to deduct federal food stamp and housing subsidies from state payments for all recipients, limit work-related expenses that employed recipients could deduct in computing their total income, and a host of other regressive cuts. At the heart of the Reagan program was a sort of jackpot idea--an annual maximum welfare pool to cover all recipients' total payments so that any individual's benefits would be reduced as the total caseload increased, regardless of need.

*According to Legislative Analyst A. Alan Post, regarding Reagan's reform proposal, "And it would not have happened if the governor had not pushed for it. I think the Legislature took some of the rough edges off the Reagan proposal and made it a much better program. But the net effect was good, and it would not have happened if the governor's real concern had not turned that program around."