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Governor Ronald Reagan today announced the following bills have been signed:

- AB 108 - Greene, L. Includes state transportation allowances in the reimbursements made to parents of handicapped minors for whom no appropriate educational programs are available locally.
(Chapter 231)
- AB 377 - Ketchum Authorizes the Director of Corrections and the Department of Mental Hygiene to purchase tax-sheltered annuities for certain employees of the respective departments, if specified conditions are satisfied.
(Chapter 232)
- AB 461 - Knox Specifies that certain tide and submerged lands granted in trust to the City of Richmond may be used for various conservation and recreation purposes. The bill further provides that the lands are required to be substantially improved, restored, preserved, or maintained on or before January 1, 1973, rather than before September 18, 1969.
(Chapter 233)
- AB 588 - Knox Provides that the Council on Intergovernmental Relations shall include one member representing a regional organization, three members representing special districts and that the three special district members shall be appointed by the Governor from a list submitted by the California Special District Association. The bill also specifies that a special district may attend any legislative body including Congress to present information or to aid or present passage of legislation and may participate in associations for such purpose.
(Chapter 227)
- AB 595 - Wilson Increases the amount transferred annually from the Motor Vehicle Fuel Fund to the Harbors and Watercraft Revolving Fund.
(Chapter 241)
- AB 601 - Barnes Permits local governments to pay for replacement or employees property which is lost as well as damaged in the line of duty without fault of employee.
(Chapter 234)
- AB 708 - Chappie Deletes the requirement that identification plates or devices issued for snowmobiles be attached to front of the handlebars on the upper part of the machine and instead specifies that such plates or devices shall be attached on the front of the vehicle by any bracket, method, or device securing the plate to the cowl or body member.
(Chapter 235)
- AB 766 - Knox Authorizes the board of directors of a water conservation district to disburse district funds in a prescribed manner by a district treasurer as an alternative to the currently prescribed method of disbursal performed by the county treasurer and county auditor of the principal county of the district
(Chapter 236)
- AB 777 - Arnett Permits retirement boards in systems established pursuant to the County Employees' Retirement Law of 1937 to compute the employer contribution to the Retirement Fund as a level percentage of compensation which, when applied to the future compensation of the average new member entering the system, will be sufficient for payment of all prospective benefits of such member plus amortization of any existing liability over a period of 30 years.
(Chapter 224)

- AB 778 - Foran
(Chapter 237) Provides that proof that a vehicle was leased or rented when such vehicle was cited for a parking violation shall rebut the presumption that the vehicle was parked by the registered owner provided the owner gives proof of the lease or rental to the court within a specified time. The bill further provides that the period of time in which a registered owner has to appear in court in response to a notice of violation issued by a court for failure to appear on a parking citation shall be at least ten days, rather than five days.
- AB 953 - Belotti
(Chapter 225) Authorizes the sale of pasteurized manufacturing cream in amounts and containers not less than one-half gallon. The present minimum is three gallons.
- AB 1080 - MacGillivray
(Chapter 238) Establishes a commercial size limit of 4 inches on the pinto, threaded and flat abalone.
- AB 1187 - MacGillivray
(Chapter 239) Adds state agencies to the list of specified bodies which, if otherwise authorized by law, may adopt measures regulating vessels.
- AB 1270 - Dent
(Chapter 240) Allows the board of directors of any municipal utility district operating a water distribution system for 10 years or more and maintaining a prescribed uniform accounting system to provide by resolution for payment of certain categories of demands against district approved by the general manager without prior approval of board.
- AB 2658 - Lanterman
(Chapter 242) Extends the deadline for filing of conservatorship petitions for persons committed to state hospitals from July 1, 1971 to July 1, 1972.
- SB 39 - Harmer
(Chapter 220) Increases from \$500 to \$1,000 the maximum amount of purchases by the Trustees of the California State Colleges which is exempt from purchasing supervision of the Department of General Services.
- SB 286 - Mills
(Chapter 226) Changes the appointment procedures for legislative members of the Committee on Special Education, State Transportation Board, and the Council on Intergovernmental Relations. The bill provides that the legislative members of the State Transportation Board shall be one Senator appointed by the Senate Rules Committee and one Assemblyman appointed by the Speaker, instead of the chairmen of the Senate and Assembly Transportation Committees. The bill also provides for the appointment of three members each of the Assembly and Senate, chosen by the Speaker and the Senate Rules Committee to the Committee on Special Education, instead of the Chairman of the Assembly and Senate Education Committee and two additional members. The bill also adds one member of the Senate and one member of the Assembly to the existing legislative membership of the Council on Intergovernmental Relations.
- SB 287 - Lagomarsino
(Chapter 221) Adds the tide and submerged lands within the three-mile area surrounding the Santa Barbara Channel Islands (Anacapa, Santa Cruz, Santa Rosa and San Miguel) to those areas that may not be leased for oil and gas extraction operations by the State Lands Commission.

- SB 359 - Gregorio
(Chapter 229) Temporarily increases, during the 1971-72 fiscal year, the limit on the annual tax rate imposed to support a police protection district from .75 percent to 1 percent, of assessed value of real property in the district.
- SB 446 - Alquist
(Chapter 222) Provides for disability retirement upon the application of employer as well as upon the application of a member of the State Teachers' Retirement System or his guardian or conservator. The bill requires reinstatement of a person found not to be disabled after application for disability retirement by his employer.
- SB 734 - Grunsky
(Chapter 223) Authorizes issuance of State of California notes, in amounts equivalent to demands issued but not negotiated payable from the General Fund in the same fiscal year. Provides that such notes cannot be issued after December 31, 1971, and must be redeemed by March 31, 1972.
- SB 803 - Mills
(Chapter 230) Requires the Superintendent of Public Instruction to loan up to \$95,000 to the Meadows Union School District to enable the district to pay contracted indebtedness, due and owing, in the 1970-1971 fiscal year.
- SB 1598 - Marks
(Chapter 228) Requires boards of supervisors of counties in which assessment ratios are changed by reason of the law specifying that property shall be assessed at 25 percent of its full cash value for the 1971-72 fiscal year and fiscal years thereafter to make specified public announcements concerning property tax revenues. Fresno, Humboldt, Imperial, Marin, Napa, Sacramento, Siskiyou and Stanislaus Counties are affected by the bill.

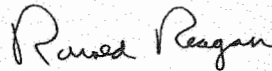
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**how
to get
more out of
your
school dollars**

A Summary Report by the Governor's
Education Task Force,
July, 1971

Dear School Board Member:

This brief summary of a broader study is meant for you—for every school board member and every school superintendent in California. Without exception, our task force members found a sincere desire on the part of all school administrators to meet the fiscal and educational challenges that are increasingly evident as California moves into this new decade. The matter of educational curriculum was not covered in this study. Instead, our task force team studied the problems of school operations, and the effect of these operations on the taxpayer. Most specifically, we were concerned about whether taxpayers' dollars are being well spent. You not only share this concern, but you have the opportunity to do something about it. You can ask the hard questions of your managers and administrators, and you can so inform yourself that you will know if their answers are correct. We can give you the questions and suggest possible ways of obtaining answers. But the rest is up to you.


RONALD REAGAN
GOVERNOR

TASK FORCE ESTABLISHED BY THE GOVERNOR

In June 1970 the Governor became aware of the conclusions reached by the California Taxpayers' Association in their examination of business practices used in the San Mateo School District. He asked members of his staff to establish a task force to determine whether the Cal Tax conclusions were indicative of the State as a whole. His charge was met by joining the most capable management auditors of the Audits Division of the State Department of Finance with leading accounting and consulting firms to observe what was really going on in a representative sample of our local schools. The Governor's request for volunteer assistance from these firms was overwhelming. The insight into governmental operations of the State's management auditors was successfully matched with the management consulting expertise of the volunteers. This report is a condensation of their conclusions and recommendations.

THE DETAILED REPORT IS NOW AVAILABLE

The detailed report was specifically developed to serve a single purpose; namely, to assist local school boards in evaluating the management practices being used in their respective school districts. Therefore, it is written as a management tool or aid for school board members. Inasmuch as the detailed report is somewhat voluminous and the anticipated demand should be well in excess of 10,000 copies, we are making it available for a nominal charge of \$1.00 (inc. tax) to cover printing and mailing costs. The report should be requested by writing Office of Procurement, Documents Section, P.O. Box 20191, Sacramento, California 95820, together with your check for \$1.00 made out to the State of California, and it will be forwarded. The report should be available by August 1. Orders received after that time can be filled within 30 days.

We fully believe that this report will be a significant first step in the implementation of improved management practices in our local schools and, therefore, within a short period of time, every school board member in the State of California will have access to a copy of the detailed report and will be using it as a mechanism for improvement within his own school district.

I. INTRODUCTION

We see two broad areas for questions:

First, there are questions about instructional costs—primarily, credentialed salaries. About 80 percent of current expenses fall in this category (85 percent if all salaries are included). This area requires continuing, in-depth analysis. We can see that the present system totally ignores ability and performance, but a lasting solution will require meaningful commitment to change and considerable time to effect a plan.

Second, there are questions about the business management of school districts. In this area, where about 20 percent of current expenses are found, we developed a substantial amount of data. Management auditors from state government joined private consulting firms who volunteered their services in visiting 127 representative school districts. We are grateful for the full cooperation of the administrators of these districts, for without it the study would not have been possible.

II. PERSONNEL

Teachers

Although salaries and fringe benefits make up, by far, the largest share of current expenses, the usual management tools for cost control and analysis are lacking. For example:

Promotions

Teacher promotions and salary increases are presently based on a grid system that is used to move a teacher across a pay scale based on the number of degrees or the number of units that a teacher has taken. These units may be toward a degree or may even be interpreted as bro- as credits relating to vacation travel or other such activities. Teachers move on the other axis of the grid based solely on the number of years that they have been in the system. Your management has no control of the teacher's advancement within the salary schedules, thus resulting in a financial situation that prevents the districts from having any control over teachers' increased compensation or, worse, from using increased compensation as a motivating tool in providing excellence in the classroom.

Tenure

Existing law gives what is equivalent to "instant tenure" to teachers, thereby effectively creating a haven for those few teachers who should not be permitted in the classroom.

State and district rules and regulations should change to give you more flexibility in this area. However, we look to the teachers themselves as a major source of change. Teachers are professionals, are better educated than most citizens, and most are sincerely interested in improving the quality of education. We do not believe that a rational distribution of resources should require that an inadequate teacher be paid as much as the outstanding one, and so-paid until retirement. We do not believe that most teachers believe this. Teachers themselves are in the best position to offer solutions. Let us hope they will recognize their responsibility and opportunity to do so. There are other ways of structuring compensation systems which put the primary emphasis on performance, but teacher inputs should be invaluable.

The constraints of some aspects of the present tenure laws are under active legislative consideration. While the restructuring of salaries does not appear to be a short-term possibility, there are questions which can nevertheless be asked:

- Is your district sending recruiters outside California? It should not do so, for many California teachers are unemployed.
- Is your district giving over-all cost-of-living increases, rewarding all teachers regardless of merit?
- Do you know the total cost of fringe benefits? Can you compare these with private compensation scales in your area?
- Do you have skilled negotiation capacity equal to those who represent your teachers?
- Is the average pupil/teacher ratio in your district equal to 30/1, an acceptable norm?
- Are the 25 hours of classroom instruction per week the norm in your district?
- Does your district use all available volunteer help to free teachers for their primary task.

There are no easy answers. Your obligation to consider each individual teacher must be viewed in light of your primary obligation to assure the

public—parents and taxpayers—that resources are wisely and frugally used. There are answers, however, and you are in the best—perhaps the only—position to find them.

Other District Employees

There are many questions which concern all employees, teachers, as well as others, and fall within the scope of normal management responsibility.

- Do you have a detailed summary of absenteeism and turnover in your district?
- Do you have training programs for all levels of employees?
- Does your district work together with other districts in training programs?
- Does your district have an active program to prevent accidents and assure the safety of employees and students?

III. PHYSICAL PLANT

General

Building, operating, and maintaining school buildings have costs second only to those of instructional salaries. While your district has its individual problems, some questions are applicable to all:

- Are you obtaining the most use out of existing facilities? Have you considered year-round operation?

The Valley View Elementary District in Illinois is operating a year-round system called the "45-15 Continuous School Year Plan". Each child is assigned to one of four groups. Group A begins its school year June 30, and each of the three other groups start at 15-class-day intervals thereafter. Groups attend school for 45 class (about nine weeks) and then have a 15-class-day vacation. Thus, each group attends 180 days per calendar year, with three months vacation, plus holidays.

You are urged to make an in-depth study of the feasibility, advantages, and disadvantages of year-round operations. This analysis should include a full consideration of all potential cost savings and cost avoidance, additional expenses, and educational and social advantages and disadvantages.

It is recommended that:

- Each district faced with the prospect of new construction do an in-depth analysis of existing space utilization before starting building plans.
- Other alternatives be analyzed, such as changes in school boundaries and in the breaking points between elementary, junior high, and high school.
- Consolidation with other districts be given full consideration.

Operations and Maintenance

Facility operations and maintenance afford you significant opportunity for cost control through better management techniques, such as improving planning, methodology, control, and evaluation. Districts that have installed a modern custodial and maintenance management system have alleviated many problems and reduced custodial costs by 15 to 25 percent.

Maintenance management systems can take many forms. A comprehensive package, which is explained in detail in the full study, includes:

- Physical inventory of spaces needing custodial care or maintenance.
- Level of care standards, expressed in measurable terms.
- Methods and materials improvement should be analyzed for cost improvement.
- Organization of custodial personnel (teams and individuals).
- Work measurement, analyzed after improved methods, equipment, supplies, and organization are implemented.
- Budgets for the operations and maintenance functions are developed based on inventory, level of service, and measured time required.
- Scheduling work for the best use of available forces and equipment.
- Controls and evaluation reporting system to monitor quality, time, and cost performance.

Not all districts have physical plants large enough to profit from all the above steps, nor do they have trained staff to do the needed analysis, but all districts:

- Can improve their records and reporting system in custodial and maintenance areas so that superintendents and governing boards will

know what value they are receiving for the money spent. They will then be able to make cost comparisons with historical data and with other districts.

- Can improve methods, equipment, and scheduling.
- Can develop quality standards and staffing guidelines.
- Can establish controls and evaluate performance.

The complete report includes questions which address themselves to:

- Land Acquisition.
- Use of relocatables.
- New construction.
- Peripheral use and user fees.
- Real property insurance.

Stop thinking of buildings and grounds maintenance as a sunk cost about which nothing can be done. Money can be saved, but only you are in a position to save it.

IV. PURCHASING

The complete study covers many aspects of purchasing. While most of you are probably weary of "nickle and dime" comparisons in this area, you should consider the following short excerpt from the study.

Does increased volume result in lower prices? In the study, 80 districts of varying size reported prices paid for standard items. These districts were grouped by ADA, as follows:

Group 1	1 — 2,500 ADA
Group 2	2,501 — 20,000 ADA
Group 3	20,001 — 50,000 ADA
Group 4	50,001 — 750,000 ADA

The prices paid by the larger districts were invariably much lower than those paid by smaller districts. For example:

Item	Unit	Average Prices			
		Gp. 1	Gp. 2	Gp. 3	Gp. 4
Tissue	roll	\$.259	\$.205	\$.191	\$.181
Handtowels	case	4.28	3.85	3.74	3.13
Blackboard Erasers	doz.	4.58	3.88	3.61	2.21
Mimeo Paper	ream	.867	.819	.705	.679
100W Lamps	each	.255	.169	.119	.104

The larger districts also had, on the average, a lower purchasing overhead per purchase dollar than the smaller districts. Clearly, there are advantages in forming larger economic units through cooperative purchasing or other means.

In purchasing, it is axiomatic to say greater volume brings lower prices. Yet, only relatively few districts have attempted to consolidate purchasing power. For example, the extent of statewide cooperative purchasing between school districts and other public agencies is less than 5 percent of total purchase dollars. In some districts, cooperative purchasing is nonexistent; in others, it involves only the purchase of bulk gasoline through the county. The few districts that are active in cooperative purchasing reduce prices 12 percent to 35 percent.

In addition, the full study considers:

- Competition and bidding.
- Effective purchasing staff.
- Purchasing procedures, warehousing, and inventory.
- Standardization of items.
- High cost equipment

Economy of scale and other efficiencies in purchasing is "old hat", but it is still fashionable. Be sure that your district purchasing is as efficient as others. What does your district pay for the items on the following list:

PURCHASING California K-12 School Districts Price Survey Results — 1970

Items	Unit	Price Range in Dollars & Cents			
		Low	Avg.	Median	High
Folder, manila, letter size, 100/box	Box	1.240	1.410	1.540	2.370
per, adding machine					
2 1/4 x 200'	Roll	.088	.120	.128	.180
Tissue, Facial, box of 300	Box	.136	.189	.200	.320
Unprinted newspaper, 8 1/2 x 11"	Case	4.150	4.320	5.040	7.200
Straws, reg., 6 1/2, unwrapped, 25M/case	Case	9.100	11.940	12.520	16.050
Cups, hot & cold, styrofoam, 6 oz.	M	5.880	6.690	7.490	10.000
Toilet paper, roll, 4 1/2 x 4 1/2"	Case	9.100	11.010	11.550	16.450
Paper hand towels, single fold	Case	3.001	3.290	3.820	5.350

Price Range in Dollars & Cents

Items	Unit	Low	Avg.	Median	High
Binder paper, ruled, sub 16, 8½ x 11"	Ream	.700	.804	.787	1.170
Paper, mimeograph, sub 20, 8½ x 11"	Ream	.580	.724	.800	1.170
Ruler, 12", 1/16 scale, wood, steel edge 24/box	Box	.908	1.430	1.440	2.400
Blackboard erasers, 5 x 2 x 1½"	Doz.	1.820	2.900	3.780	6.700
Pencils, classroom, w/eras., ½ gross /box	Box	.934	1.230	1.250	2.220
Book, teacher class record	Each	.540	.795	.850	1.800
Basketball, leather	Each	8.350	11.050	11.900	25.500
Softball, 12", 6¼ x 6 3/4 oz.	Doz.	9.240	11.800	13.440	18.000
Tennis balls, 3 to a can	Can	1.370	1.620	1.650	2.375
Cards, data processing, basic card	M	.910	.927	.935	1.110
Lamp, incandescent, 120 volt, 100 watt	Each	.100	.115	.135	.420
Lamp, fluorescent, F40 T12CW	Each	.381	.513	.540	1.120
Spark plugs	Each	.430	.539	.625	1.000
Chalk, 3 1/8" x 7/16", all colors	Doz.	.071	.147	.222	.530
Crayons, pressed, 16 color asst, 3 1/2 x 5/16	Box	.062	.136	.150	.340
Ink, waterproof black, drawing, India	1 oz.	.170	.216	.310	.400
Paint, liquid tempura, non-toxic, all colors	Pint	.282	.340	.420	.600

V. OTHER SECTIONS

The complete study has many substantive sections. Personnel, physical facilities, and purchasing have been mentioned. In addition, there are discussions of:

- Electronic Data Processing.
- Textbooks.
- Pupil Transportation.
- Food Service.
- Management Style.

Each chapter is written for you and gives the questions which you must ask in your district to be sure that dollars are well spent. We believe we have set out the hard questions which must be asked and have outlined the ways in which answers can be found. Only you can ask the questions and act upon the answers.

DETAILED REPORT AVAILABLE

The detailed report should be requested by writing Office of Procurement, Documents, Section, P.O. Box 20191, Sacramento, California 95820, together with your check for \$1.00 made out to the State of California.



NOT PRINTED OR MAILED AT GOVERNMENT EXPENSE

Governor Ronald Reagan announced today the following bills have been signed:

AB 322 - Badham Chapter 247	Deletes the December 31, 1971, expiration date of provisions authorizing performance of blood gas analysis under designated circumstances.
AB 371 - Moorhead Chapter 248	Provides that the guardian of an estate may commence an action for partition of a ward's undivided interest in real or personal property after first obtaining authority from the court having jurisdiction of the estate on ex parte application.
AB 419 - Barnes Chapter 249	Provides for the continuation of part of the retirement allowance of a patrol, law enforcement, or local safety member of the Public Employees' Retirement System to his spouse, child or parents after his death after retirement for disability rather than industrial disability.
AB 596 - Wilson Chapter 250	Corrects an erroneous cross-reference to the Government Code provision relating to the State Environmental Goals and Policy Report.
AB 599 - Stull Chapter 251	Increases from \$350,000 to \$500,000 the amount a county can appropriate to a revolving fund to be used by specified local districts for specified purposes and includes county flood control districts among those districts to which such revolving fund money may be appropriated.
AB 806 - Priolo Chapter 258	Makes technical amendments to the Savings and Loan Association Law.
AB 965 - Johnson, R Chapter 252	Continues in effect for another year certain regulations of the Director of Agriculture which provide definition and standards of composition for certain acidified dairy products.
AB 1061 - Burke Chapter 253	Repeals an inconsistent Vehicle Code provision relating to the apportionment of the cost of flashing traffic signals in the vicinity of schools.
AB 1123 - Dent Chapter 254	Separates and recodifies the provisions of the Brown Act, which regulates state employer-employee relations, from the provisions of the Meyers-Millias-Brown Act which regulates employer-employee relations in local government. The bill stipulates that its provisions are declaratory of existing law.
AB 1308 - Brown Chapter 255	Provides that the fee for examination and reexamination of applicants for a dental license is to be fixed by the Board of Dental Examiners, rather than providing that the fee for the examination of applicants for such a license is to be fixed by the board.
AB 1650 - Stacey Chapter 256	Repeals the conflict of interest provisions in the Community Services District Law.
AB 1895 - Davis Chapter 257	Provides that certain community services districts shall be deemed formed for assessment and taxation purposes for the 1971-72 fiscal year and thereafter, if such formation is completed prior to the effective date of the bill and if required documents are filed on or before April 15, 1971.

SB 81 - Nejedly Chapter 243	Makes nonsubstantive amendments to a Penal Code provision relating to the humane treatment of animals.
SB 201 - Song Chapter 244	Revises the law relating to counterclaims and cross-complaints and joinder of causes of action.
SB 251 - Rodda Chapter 245	Permits the governing board of a school district maintaining a community college to adopt rules and regulations regarding withholding of grades, transcripts, diplomas, or registration privileges of students or former students until specified obligations owed to the school library are met.
SB 777 - Marler Chapter 246	Reduces the amount of downpayment from 50 percent to 30 percent of the purchase price for the sale of excess state highway property.

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WAS

Governor Ronald Reagan today issued the following statement:

"The state's budget is now before the members of the legislature for a vote.

"I would like to urge enough Republican support for the budget to prevent further delay which would continue to jeopardize California's fiscal integrity. I have assured Republicans that I will exercise my veto power to the maximum extent possible that is, at the same time, reasonable in view of this state's financial problems.

"The budget as sent to the legislature by a Democrat-controlled committee obviously would demand a massive increase in taxes from the working men and women of California.

"I know it is extremely distasteful for Republicans to have to vote for such a budget. However, I suggest they do so only to get the budget passed and the state away from the brink of disaster."

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OFFICE OF THE GOVERNOR
Sacramento, Californ
Contact: Paul Beck
445-4571 7-2-71

RELEASE: Immediate

#393

Governor Ronald Reagan announced today he has approved federal OEO grants to the Economic Opportunity Council of San Francisco and the Los Angeles South Central Multi-purpose Health Service Center, in Watts.

The grant to the San Francisco agency is for \$2,627,801 for funding through September 30.

Funding for the Los Angeles center, through December 31, 1971, amounts to \$1,230,700.

The Economic Opportunity Council of San Francisco is responsible for local OEO-funded neighborhood and housing services, along with youth and economic development programs for the poor.

The Watts Multi-purpose Health Center serves ambulatory patients in the South Central Los Angeles area.

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EJG

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-2-71

MEMO TO THE PRESS

#394

GOVERNOR'S SCHEDULE

July 5, 1971
through
July 11, 1971

Monday, July 5

No appointments scheduled.

Overnight - Sacramento

Tuesday, July 6

Office appointments.

Overnight - Sacramento

Wednesday, July 7

10:30 a.m.

PRESS CONFERENCE

Overnight - Sacramento

Thursday, July 8

Office appointments.

Overnight - Sacramento

Friday, July 9

Office appointments.

Overnight - Los Angeles

Saturday, July 10

No appointments scheduled.

Overnight - Los Angeles

Sunday, July 11

No appointments scheduled.

Overnight - Sacramento

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EG

The following items have been blue-pencilled by Governor Reagan:

- Item 18 For support of the Supreme Court, Courts of Appeal and Judicial Council. I reduce this item from \$8,775,741 to \$8,425,000. (Reduction: \$350,741)
- I am approving this item at the level originally proposed in my budget. The courts have sufficient administrative flexibility to meet work load needs.
- Item 60 For support of the Commission on California State Government Organization and Economy (Little Hoover Commission). I reduce this item from \$53,000 to \$50,564. (Reduction: \$2,436)
- I have reduced this item to eliminate funds for a salary increase for the executive secretary.
- Item 62 For support of the Military Department. I reduce this item from \$4,152,938 to \$4,112,938. (Reduction: \$40,000)
- I have eliminated the augmentation for security fencing at Camp San Luis Obispo. Funds included in my budget already meet the highest priority security problems of the Department.
- Item 61 For support of California Commission on Interstate Cooperation. I reduce this item from \$115,530 to \$110,730. (Reduction: \$4,800)
- I am eliminating funds proposed for operating expense and travel. Any expenses incurred, other than California's share, to the Council of State Government must come from other sources.
- Item 65 For support of Public Utilities Commission. I reduce this item from \$6,970,057 to \$6,500,000 by reducing paragraph (a) Personal Services from \$10,996,639 to \$10,536,971 and paragraph (b) Operating Expenses and Equipment from \$2,047,343 to \$2,036,954. (Reduction: \$470,057)
- The level of expenditure which I am approving is consistent with the original budget and provides sufficient resources for the Commission to meet its responsibilities efficiently and effectively.
- Item 78 For support of increases in compensation for judges. I reduce this item from \$820,144 to \$100. (Reduction: \$820,044)
- In a time of great financial stress, employees generally must forego a salary increase. It would be unfair to grant one segment of public service an increase while not granting it to others.
- Item 92 For support of Department of Commerce. I reduce this item from \$1,501,827 to \$1,274,676 by reducing paragraph (a) Personal Services from \$1,198,430 to \$1,087,608 and paragraph (b) Operating Expenses and Equipment from \$309,397 to \$193,068. (Reduction: \$227,151)
- I have eliminated the augmentation for the public education in science and industry program. I believe this is sufficient to meet the essential needs of this program.
- Item 95 For support of State Athletic Commission. I reduce this item from \$192,800 to \$152,800. (Reduction: \$40,000)
- I have eliminated the legislative augmentation and returned this item to a level consistent with the present requirements of the program. If there are future requirements for this program they can be considered within the regular bill process.

Item 111

For support of State Board of Guide Dogs for the Blind. I reduce this item from \$5,000 to \$2,600. (Reduction: \$2,400)

I have eliminated the legislative augmentation and reduced this item to an amount sufficient enough to continue the program at the current level of service.

Item 173

For support of California Highway Patrol. I reduce this item from \$132,476,890 to \$131,625,940 by reducing paragraph (a) Personal Services from \$110,033,581 to \$109,182,631. (Reduction: \$850,950)

I am eliminating the \$850,950 included to provide uniform allowances since to grant such a benefit to only one group of employees would be clearly inequitable.

Item 191

For support of State Lands Division, Department of Conservation. I reduce this item from \$1,620,800 to \$1,520,800 by reducing paragraph (a) Personal Services from \$2,151,874 to \$2,101,874 and paragraph (b) Operating Expenses and Equipment from \$522,259 to \$472,259. (Reduction: \$100,000)

This General Fund augmentation is not essential to the basic mission of the State Lands Division of the Department of Conservation.

Item 214

For support of Department of Water Resources (flood control projects). I reduce this item from \$4,500,000 to \$4,000,000 (Reduction: \$500,000)

This item provides State reimbursement to local jurisdictions for the costs of lands, easements, and rights-of-way related to authorized flood control projects. The \$4,000,000 appropriation level is considered sufficient to meet the needs for projects currently authorized under State law. Local participation in flood control projects is essential before any added projects may be considered.

Item 279

For transfer by State Controller to the Teachers' Retirement Fund. I reduce this item from \$98,000,000 to \$20,000,000. (Reduction: \$78,000,000)

The State Teachers' Retirement Fund has sufficient resources available in contingency reserve funds, which when added to this appropriation are sufficient to maintain retirement benefits. These reserve funds are by law available for contingency purposes. We have determined that the contingency of adverse actuarial experience is a factor which must be recognized. The board of administration has authority to insure that benefit payments will be made in an orderly and timely manner.

Item 80.1

For State Employee Salary Increase Fund. I eliminate this item. (Eliminated: \$43,525,000)

This year marks the first time since I became Governor that state employees have been asked to forego a general salary increase. In the past four years, state employees have received salary increases totaling 21 percent plus merit salary increases and improved fringe benefits---a greater aggregate total than in any previous comparable period. In fact, twice during the previous administration (1962-63 and 1964-65), the state did not provide across-the-board general salary increases.

This is an unusual year, one which requires that we face up to hard fiscal realities. The relationships we have developed jointly with state employee organizations have already resulted in improved employee benefits, including premium pay for overtime, night shift differential, an improved retirement plan, unemployment insurance coverage for state employees, added employee health benefits, and a "meet and confer" procedure which I established by executive order to permit employees and their spokesmen to confer directly with my representative.

Item 80.2 For University salary increases. I eliminate this item. (Eliminated \$18,030,000)

In addition to the reasons I have cited in Item 80.1, salaries in the University remain in the top 5 percent of all universities in the country. At a time when the resources of these same universities, as well as those of this State, are strained, further salary increases cannot be granted.

Item 80.4 For California State Colleges salary increases. I eliminate this item. (Eliminated \$21,130,000)

In addition to the reasons I have cited in Item 80.1, at a time when State resources are strained, no additional salary increase can be granted.

Item 263 For support of Department of Education. I reduce this item from \$11,065,000 to \$5,065,000. (Reduction: \$6,000,000)

I have reduced funds for the Duffy-Moscone Family Nutrition Education and Services Act of 1970 since increased Federal funding will enable the program to expand dramatically to meet child nutrition needs in the schools. Last year, the State received approximately \$33 million in federal funds. It is anticipated that in 1971-72 the State will receive approximately \$60 million for child nutrition programs in California schools.

Item 263.5 For support of the master teacher program, Department of Education. I eliminate this item. (Eliminated: \$150,000)

Legislation now before the legislature carries an appropriation for this same purpose.

Item 270.1 For transfer by the State Controller from the General Fund to the State School Fund. I eliminate this item. (Eliminated: \$100,000,000)

I have eliminated this item inasmuch as there has been no clearly demonstrated need for additional funds nor any identification of the benefits which may be expected.

Item 273 For support of special elementary school reading instruction programs and Project SHARE pilot tutoring programs, Department of Education. I reduce this item from \$18,835,000 to \$18,360,000. (Reduction: \$475,000)

I have reduced this item to the amount originally budgeted. Funding for the SHARE program can satisfactorily be accomplished within budgeted funds by means of special legislation now before the legislature.

Item 273.5 For Mathematics Improvement Program, Department of Education. I eliminate this item. (Eliminated: \$925,000)

This program has not shown the results necessary to warrant continued funding.

Item 274 For support of Children's Centers, Department of Education. I reduce this item from \$21,750,000 to \$19,750,000. (Reduction: \$2,000,000)

I find it possible to reduce this item inasmuch as additional resources will become available for this program through the use of State and local in-kind matching funds.

Item 277 For assistance to public libraries, Division of Libraries, Department of Education. I reduce this item from \$1,800,000 to \$800,000. (Reduction: \$1,000,000)

I have reduced the funds in this item in order to assure that funds are available for higher priority programs in public education.

Item 278.5 For support of summer vocational and technical education programs, Department of Education. I eliminate this item. (Eliminated: \$71,000)

I have eliminated this item in the absence of positive results from previous expenditures for this program.

Item 284 For research in conversion of sea water, University of California. I reduce this item from \$334,900 to \$308,100. (Reduction: \$26,800)

This level of budget finances the planned University program.

Item 285 For research in dermatology, University of California. I reduce this item from \$100,000 to \$92,000. (Reduction: \$8,000)

This level of budget finances the planned University program.

Item 293 For support of State Scholarship and Loan Commission. I reduce this item from \$22,853,000 to \$20,000,000. (Reduction: \$2,853,000)

This program has grown from 5.7 million dollars in 1967-68 to 20 million dollars for 1971-72. The number of awards in this same period has increased from 6,902 in 1967-68 to 21,509 in 1971-72. This represents a quadrupling of funding for the program over a four-year period.

Item 229 For transfer to the Health Care Deposit Fund to provide for Medical Assistance Program expenditures. I reduce this item from \$734,877,719 to \$597,097,750 and reduce the County Option Program limitation from \$65,000,000 to \$35,000,000. (Reduction: \$137,779,969)

I am reducing this appropriation to reflect the most recent cost estimates for implementation of the Medi-Cal Reform Plan. I am also reducing the County Option Program limitation to the amount originally budgeted. This appropriation is consistent with the legislature's appropriation for welfare. It is within the power of the Administrative and Legislative branches to provide meaningful reform for this program.

Item 242 For support of Department of Mental Hygiene. I reduce this item from \$19,888,465 to \$16,360,075 and I am eliminating the restrictive language requiring me to continuously operate all state hospitals during 1971-72. (Reduction: \$3,528,390)

By reducing admissions to DeWitt and by accelerating the placement of patients into community facilities, the Department will be able to operate the hospital within the funds I have proposed. With the continuing decline in state hospital population, it is neither economical nor desirable from the patients viewpoint to continue operating all the hospitals. The current excess bed capacity will enable us to care for patients in the most up to date facilities available within the system. I have eliminated two Protestant Chaplain positions leaving each state hospital with one such position. With the continuing decline in state hospital population there is no justification for retaining more than one Protestant Chaplain at each facility.

Item 242 (continued)

I have also deleted the following language from Item 242 which limits the availability of any funds for any hospital on the condition that all hospitals will be continuously open and accepting admissions for the entire fiscal year:

"Provided, that the funds appropriated by this item shall be available only if all of the following hospitals are continuously open during the 1971-72 fiscal year and operated by the state and are accepting admissions:

Agnews State Hospital
 Atascadero State Hospital
 Camarillo State Hospital
 DeWitt State Hospital
 Mendocino State Hospital
 Metropolitan State Hospital
 Napa State Hospital
 Patton State Hospital
 Stockton State Hospital
 Fairview State Hospital
 Pacific State Hospital
 Porterville State Hospital
 Sonoma State Hospital."

This limitation is an infringement upon my constitutional authority as a violation of the separation of powers; it also destroys my constitutional right to reduce or eliminate an item of appropriation.

Item 243

For support of Department of Mental Hygiene---Program for the Mentally Retarded. I reduce this item from \$84,485,873 to \$83,983,873 and I am eliminating the restrictive language requiring me to continuously operate all state hospitals during 1971-72. (Reduction: \$502,000)

The budget I submitted to the legislature in February includes funds for 160 new nursing staffing positions. This represents the third increment of a 5-year plan toward reaching 100 percent of SCOPE staffing standards. The addition of these positions together with the continuing decline in state hospital population will allow the department to reach 91 percent of the standard in 1971-72. In keeping with the 5-year plan, we will attain 100 percent of standard by June 30, 1974, without an additional augmentation in 1971-72.

With the continuing decline in state hospital population within the system, it is neither economical nor desirable from the patient's viewpoint to continue operating all the hospitals. The current excess bed capacity will enable us to care for patients in the most up to date facilities available within the system.

I have also deleted the following language from Item 243 which limits the availability of any funds for any hospital on the condition that all hospitals will be continuously open and accepting admissions for the entire fiscal year:

"Provided, that the funds appropriated by this item shall be available only if all of the following hospitals are continuously open during the 1971-72 fiscal year and operated by the state and are accepting admissions:

Item 243 (continued)

Agnews State Hospital
 Atascadero State Hospital
 Camarillo State Hospital
 DeWitt State Hospital
 Mendocino State Hospital
 Metropolitan State Hospital
 Napa State Hospital
 Patton State Hospital
 Stockton State Hospital
 Fairview State Hospital
 Pacific State Hospital
 Porterville State Hospital
 Sonoma State Hospital."

This limitation is an infringement upon my constitutional authority as a violation of the separation of powers; it also destroys my constitutional right to reduce or eliminate an item of appropriation.

Item 244

I have deleted the following language from Item 244 which limits the availability of any funds for any hospital on the condition that all hospitals will be continuously open and accepting admissions for the entire fiscal year:

"Provided, that the funds appropriated by this item shall be available only if all of the following hospitals are continuously open during the 1971-72 fiscal year and operated by the state and are accepting admissions:

Agnews State Hospital
 Atascadero State Hospital
 Camarillo State Hospital
 DeWitt State Hospital
 Mendocino State Hospital
 Metropolitan State Hospital
 Napa State Hospital
 Patton State Hospital
 Stockton State Hospital
 Fairview State Hospital
 Pacific State Hospital
 Porterville State Hospital
 Sonoma State Hospital."

This limitation is an infringement upon my constitutional authority as a violation of the separation of powers; it also destroys my constitutional right to reduce or eliminate an item of appropriation.

- Item 276 For publishing, purchasing and shipping free textbooks (Department of Education). I reduce this item from \$18,342,666 to \$17,828,000. (Reduction: \$514,666)
- I have reduced this item by eliminating funds for supplementary social science textbooks and for the distribution of basic social science textbooks to institutions other than public schools for grades 5 through 8 which are lower priority public school textbook uses.
- Item 282.1 For support of University of California medical education programs. I reduce this item from \$5,000,000 to \$4,022,230. (Reduction: \$977,770)
- I have reduced this item but retained funds for the support of the medical education programs at County operated hospitals for Davis and Irvine Medical Schools. The need for the \$977,770 has not been sufficiently demonstrated.
- Item 282 For support of University of California. I reduce this item from \$342,753,205 to \$332,017,965. (Reduction: \$10,735,240)
- In making this reduction I have maintained the planned level of the University program. We are accepting the reimbursements and related revenues approved by the legislature in this item to fund items 282.1 and 282.5.
- Item 232 For support of Department of Human Resources Development. I reduce this item from \$5,243,893 to \$3,743,893. (Reduction: \$1,500,000)
- The same level of service may be provided from the amounts budgeted in the service center areas with the influx of Federally funded positions, increases in the WIN program and increased rehabilitation service. This reduction is consistent with our attempts to provide centralized services within the newly reorganized HRD.
- Item 248 For assistance to counties for services to physically handicapped children. I reduce this item from \$14,480,400 to \$13,280,400. (Reduction: \$1,200,000)
- The treatment item as reduced provides a \$300,000 increase for treatment over 1970-71. Estimated family repayments are increased \$600,000 to reflect the adoption of a revised repayment schedule.

Item 288 For support of Trustees of the California State Colleges and the California State Colleges. I reduce this item from \$334,823,129 to \$315,660,159. (Reduction: \$19,162,970)

Nonfaculty Reclassifications \$530,000

This item can be financed by salary savings which become available when positions are vacated.

Center for Technological Education 75,000

This pilot project has served its purpose and should be carried on within regular instructional resources if desired by the Trustees.

Faculty Recruitment 100,000

Recruitment activities can be carried on within the allotment for administrative travel.

Instructional Television Program 400,000

Progress has been very nominal, and expenditures should be deferred until institutional and faculty resistance are overcome.

Frederic Burk Laboratory School 387,104

This school is basically a district laboratory school and should be financed by local sources.

Relations with Schools 134,000

This function of improving student articulation from high schools and other collegiate institutions can be carried on by administrative and admissions personnel in the colleges.

Faculty Positions 11,130,000

Faculty positions are deleted in order to start the return to the policy of having full-time faculty teach 12 weighted teaching units in regularly scheduled classrooms and laboratories.

International Program 225,000

The State College program should be coordinated with those of other educational institutions for greater economies and an increased proportion of expenses for overseas educational experiences should be contributed by the students rather than the general taxpayer.

State Financial Aids 1,500,000

This program provides a new level of financial aids never before funded by the state; federal funds for this same purpose are being increased.

Educational Opportunity Program 2,472,546

Federal congressional action indicates that increases are being made on a national basis that will provide additional financial aids to needy students.

Master of Social Work Program 290,000

Changes in teaching methods are being studied which should increase the effectiveness of this high cost program. With the reduced demand for MSW degrees, the amount budgeted should be sufficient.

Foreign Student Tuition

1,919,320

The Trustees of the California State Colleges have the authority to increase reimbursements out of foreign student tuition.

- Item 291 For support of Board of Governors of the California Community Colleges. I reduce this item from \$7,677,064 to \$4,309,571 (Reduction: \$3,367,490)

I have reduced the funds for the Extended Opportunity Program to the amount proposed in the original budget. The legislative augmentation is not necessary because additional federal funds will be available in 1971-72. The funds for federal student financial aid programs (EOG and Work-Study) were substantially increased by Senate Bill 659 passed by Congress on July 1, 1971.

- Item 301.5 For capital outlay, Trustees of the California State Colleges, I hereby eliminate the General Fund appropriation of \$6,893,000. (Reduction: \$6,893,000)

I consider continuing support for state operations of higher priority than capital outlay projects until utilization of existing physical facilities is improved.

- Item 305 For capital outlay, Department of Navigation and Ocean Development. I reduce this item of \$430,000 to \$230,000 by eliminating the construction of launching ramp at Crescent City. (Reduction: \$200,000)

I am eliminating this project because it is not of sufficient priority in the building program of the Department of Navigation and Ocean Development.

- Item 255 I have deleted the following appropriation language contained in Item 255 which attempts to establish an open-ended appropriation for the state's share of public assistance programs:

"Provided further, that in order to avoid any resultant and inequitable increase in local property taxes, the Controller shall approve expenditures in those amounts made necessary by changes in either caseload or payments, or both, which are in excess of Budget Bill estimates for 1971-72 and funds necessary to make such expenditures are hereby appropriated in addition to any other appropriation contained in this item."

An open-ended appropriation is one which authorizes the appropriation of expenditures of an unlimited amount. I hereby reduce Item 255 to \$573,573,000, which is all that is needed to provide the necessary funds for this program if the welfare reform legislation previously submitted is enacted in a timely manner.

Item 216 For support of the Department of Corrections. I reduce this item from \$106,577,534 to \$105,777,534. (Reduction: \$800,000)

\$800,000 in federal funds have been included in the Department of Rehabilitation's budget to fund a behavioral program in the Department of Corrections. I am leaving \$200,000 in this program to provide the necessary General Fund support. I am also deleting the following language, which constitutes an appropriation, from Item 216:

"provided further, that it is the intent that any savings in this item be used by the department to distribute the inmate population under its jurisdiction on the basis of one inmate per cell."

Any savings which result from the closure of conservation camps or from efficiency in the operation thereof, should be available for expenditures to be determined by officials of the Department of Corrections, who are responsible by law for making such determinations. There may be needs other than single cells for inmates during the 1971-72 fiscal year within our correctional institutions which merit a higher priority. Department officials must retain the flexibility to use any operational savings for programs which they deem to fall within the highest priorities.

Item 220 For support of the Department of the Youth Authority. I reduce this item from \$50,681,933 to \$50,537,933. (Reduction: \$144,000)

\$144,000 in Federal funds has been included in the Department of Rehabilitation's budget to fund a behavioral program involving the Department of the Youth Authority. This augmentation is unnecessary. I am leaving \$36,000 in the budget to provide the necessary General Funds for this program.

Item 238 For support of Department of Industrial Relations. I reduce this item from \$22,883,392 to \$21,702,374. (Reduction: \$1,181,018)

I am reducing this item to the amount proposed in the Department of Industrial Relation's budget for 1971-72, which adequately provides for the total program requirements of that Department.

REDUCTIONS

Investigation, Mediation, Arbitration and Adjustment of Labor-Management and Public Transit Agency Disputes Elements	-124,124
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A. Investigation, mediation and arbitration of labor-management disputes	-122,286
B. Adjustment of transit agency disputes	-1,838

The Prevention of Industrial Injuries and Deaths to California Workers Elements	-18,510
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C. Safety for employees while using or repairing elevators, escalators or aerial tramways	-44,010
Reimbursements pertaining to Element C	+25,500

Promulgation and Enforcement of Labor Standards for Women and Minors and Enforcement of Equal Pay Law for Women and Men Elements	-146,189
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B. Enforcement of labor standards for women and minors and Equal Pay Law for women and men	-146,189
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Enforcement of Laws relating to Wage Payment Conditions of Employment,	
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Licensing and Adjudication Elements	-162,969
B. Labor Law Enforcement	-162,969
Promotion, Development, and Administration of Apprenticeship and Other on-the-job Training Elements	-453,492
A. Promotion, development and administration of California apprenticeship	-453,492
Labor Force Research and Data Dissemination Elements	-105,004
A. Work injury statistics	-77,326
B. Industrial relations research	-27,678
The Prevention and Elimination of Discrimination in Employment and Housing Elements	-170,730
A. Prevention and elimination of discrimination in employment	-170,730

Item 239 For support of Department of Mental Hygiene. I reduce this item from \$6,753,700 to \$6,603,700. (Reduction: \$150,000)

The department has the staffing and resources necessary to update SCOPE staffing standards without additional funds.

Item 240 For support of Department of Mental Hygiene. I reduce this item from \$6,770,202 to \$4,948,193. (Reduction: \$1,822,009)

Training funds in the Department have been reduced consistent with the decline in patient population. Research funds have been reduced in order that the limited resources available can be channelled for direct care of patients through the maintenance of nursing staffing levels at 100 percent of SCOPE standards. I have approved augmentations of \$126,500 for Drug Abuse Research at Mendocino, \$71,400 for Sexual Behavior Research at Atascadero, and \$45,900 for Alcoholism Research at Patton State Hospital.

Item 245 For support of Department of Public Health. I reduce this item from \$10,347,867 to \$10,044,507. (Reduction: \$303,360)

Increased effort by the Federal government under the newly enacted Occupational Health and Safety Act of 1970, Public Law 91-596, will permit a reduction in the state level of this program.

Item 252 For assistance to local agencies in the establishment and operation of mental retardation diagnostic and counseling centers. I reduce this item from \$20,947,653 to \$20,647,653. (Reduction: \$300,000)

Federal funds available under Public Law 91-517 (Developmental Disabilities Act) will be sufficient to provide for the operation of a regional center in each of the 13 mental retardation planning areas.

Item 259 For cost of Special Social Services. I reduce this item from \$6,053,385 to \$5,923,385. (Reduction: \$130,000)

The need for social work stipends is no longer justified in view of the current availability of qualified social work professionals.

Item 299.1 For capital outlay, University of California. I hereby eliminate the General Fund appropriation of \$13,207,000. (Eliminated: \$13,207,000)

The portion of this item to be funded from the Education Fee income will continue to be available for the highest priority projects requested by the University.

Governor Ronald Reagan today issued the following statement:

"I am about to sign a budget which I have reduced by the largest amount in California's history. It will provide all the essential services I have asked for and will not require a tax increase if the legislature will act on the still unresolved issues.

"At this point, I would like to again note that Republican legislators who voted for the budget did so with great reluctance and only after I assured them I would use my constitutional authority to veto the increased spending proposals advanced by the Democrats.

"I regret having to ask state employees to forego a cost-of-living salary increase. I appreciate their continuing to work even though the state was without a budget. I hope they will understand that a salary increase would have required new and additional taxes on our citizens who are already hard hit by unemployment and reduced earnings.

"As you know, the legislature sent me a budget that totalled a record \$7.3 billion. I have vetoed more than half a billion dollars from that spending plan. That too, is a record.

"But even though I have signed this budget, and even though I have cut more than half a billion dollars from it, I regret to say the state's budget problems are still not solved.

"The budget as reduced by my vetoes is still beyond expected revenues. Curiously, the legislature appropriated \$573.5 million for welfare---a figure that is at least \$108 million less than needed without complete welfare reform, while they added \$140 million to our Medi-Cal reform budget figure of \$589 million.

"If the Legislature--after six months--will now agree to total welfare reform and major changes in Medi-Cal, the gap between revenue and expenditures will be lessened substantially.

and
"The imposition of payroll withholding and welfare/ Medi-Cal reform, will
/mean that taxes need not be raised. Any other minor shortages could easily be covered by the funding transfers we requested in February.

"Without these changes, the legislature will be forced to raise taxes in the neighborhood of \$500 million.

"I do not think that is the responsible solution in these trying times.

"Instead, I propose to meet with the legislative leadership next week to see if we can agree to reform welfare and Medi-Cal. At the same time, we will again attempt to reach a bipartisan agreement on tax reform, including meaningful property tax relief and payroll withholding.

"If this can be accomplished in a spirit of cooperation, the taxpayers of California will be the ones who have gained a victory. And our budget problems can be solved without increasing taxes."

BUDGET FACTS

	<u>General Fund</u>	<u>Special Fund</u>	<u>Total</u>
Budget as submitted to Legislature	\$4,875,436,284	1,863,215,491	6,738,651,775
Budget as passed by Legislature	5,385,890,818	1,907,582,765	7,293,473,583
Budget as reduced by the Governor	4,904,454,507	1,885,395,520	6,789,850,027
General Fund Budget Items Vetoed	-481,436,311		
Other Budget Items Vetoed		-22,187,245	
Total amount Vetoed			-503,623,556

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-3-71

RELEASE: Immediate

#397

Following are additional items blue-pencilled by Governor

Reagan:

Item 106 For support of State Board of Dry Cleaners. I reduce this item from \$318,970 to \$40,000.

I have eliminated the legislative augmentation since it is inconsistent with the provisions of Reorganization Plan 2 of 1971.

Item 253 For support of Department of Rehabilitation. I reduce this item from \$7,368,098 to \$6,882,098 by reducing paragraph (a) Vocational Rehabilitation of the Disabled from \$7,218,029 to \$6,732,029.

The Department of Rehabilitation can by re-evaluating existing resources maximize federal funds to rehabilitate welfare recipients. Therefore, I am reducing this item by \$250,000.

In addition, I am reducing this item by \$236,000 relating to Behavioral Disorder programs. These programs will be conducted through the Department of Corrections and the Youth Authority with the necessary General Funds I have provided in those two departments.

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-6-71

Release: Immediate

#398

Governor Reagan today announced he has vetoed the following bill:

AB 569 - McAlister Requires school districts to furnish every classified employee and his supervisor with twice yearly statements showing the employees' sick leave and vacation accrual. In addition, school districts must inform each classified employee who is paid on an hourly basis his rate of pay at least once a month.

REASON FOR VETO: "I do not believe that school districts should be compelled to provide classified employees with their hourly rate of pay on a monthly basis when such information is now readily available to such employees. The bill mandates added cost to school districts, without a corresponding benefit to the employees concerned.

Accordingly, I am returning the bill unsigned."

#

WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-7-71

RELEASE: Immediate

#399

Governor Ronald Reagan today reappointed Mrs. Marie H. Fish, a housewife of 72 Plaza Way, Chico, to a four-year-term on the board of the Third District Agricultural Association (Silver Dollar Fair, Chico).

Mrs. Fish has served on the board since 1955. She is a Republican.

Board members receive necessary expenses.

#####

WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-7-71

RELEASE: Immediate

#400

Governor Ronald Reagan today named three new members to the
State Hospital Advisory Board.

They are William A. Heideman of South Pasadena, Marall H. Smith
of Orinda and Henry Z. (Hank) Arklin of Pacoima.

Heideman, administrator of the Hollenbeck Home in Los Angeles,
lives at 440 Camino Verde, South Pasadena. He will represent nursing
home administrators, succeeding Richard J. Footner of Orange, whose
term has expired.

Smith, who lives at 65 Scenic Drive, Orinda, is administrator
of the Oak Park Convalescent Home in Pleasant Hill. He will represent
nursing home administrators, succeeding Edward Crotta of Saratoga,
whose term has expired.

Arklin, a contractor and former Assemblyman from the 14th
District, will serve as a public member of the board. He lives at
13219 Osborne Street, Pacoima. He succeeds Cass D. Alvin of Downey,
whose term has expired.

All three mem are Republicans.

Board members serve four-year-terms and are paid expenses.

##

WAS

Governor Ronald Reagan today announced the appointments of four new members and the reappointment of four other members to District Forest Practice Committees.

New members of the committee for the North Sierra Pine Forest District are Robert E. Eiler, Jr., a packing company operator in Gazelle and John B. Rice, Jr., an Alturas cattle rancher, both of whom will represent the public on the committee.

Eiler, who lives at 813 Lane Street, Yreka, and Rice, whose address is P. O. Box 1726, are both Republicans.

Reappointed to the committee were Sidney D. Haynes, a Burney rancher, and Elmer D. Zimmerman of Weed, a logging company superintendent

Haynes, whose address is Box 104 Burney, has served on the committee since 1953. He represents private timber owners and operators. Zimmerman, who lives at 458 Main Street, Weed, has served on the committee since 1953. He represents private timber owners and operators. Both are Republicans.

New members of the committee for the Coast Range Pine and Fir Forest District are Conrad L. Cox, 3 Tan Oak Drive, Ukiah, an attorney, who will represent the public, and David M. Dillon, 3170 Brian Court, Arcata, a bank manager, who also will represent the public.

Reappointed were Albert L. Fearrien, a rancher of P. O. Box 371, Hydesville, who has served since 1960 as representative of farmers and timber owners, and James P. van Loben Sels, manager of the Southern Pacific Company's land department, 1420 Montgomery Street in San Francisco, who has served since 1965. He represents private timber owners.

All four men are Republicans.

Committee members serve for four years and receive necessary expenses.

#####

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-7-71

RELEASE: Immediate

#402

Governor Ronald Reagan today appointed Mrs. Lee Richmond,
a San Diego secretary, as a public member of the Collection Agency
Advisory Board in the Department of Consumer Affairs.

Mrs. Richmond, who is employed by Ryan Aeronautical Company,
lives at 535 Alameda Boulevard, Coronado. She is a widow with two
children. She is a Republican.

Members of the board serve for four years and receive per
diem and travel expenses.

#

WAS

Office of the Governor
Sacramento, California
Contact: Paul F. K
445-4571 7-7-71

MEMO TO THE PRESS

Clem Eller, Pacific Coast marketing director for United States Savings Bonds, U. S. Treasury, will present a special flag to Governor Ronald Reagan at 11:15 a.m. today in the Governor's Office.

The flag presentation to the governor for his "continuing support of the U. S. Savings Bonds program" will kick off a savings bond campaign for state employees.

Photo coverage is welcome.

#

WAS

Governor Ronald Reagan today issued the following statement:

"I am pleased to announce that, following conversations between the Simpson Timber Company and Resources Secretary Livermore, the company has agreed to withdraw its permit application for clear cutting 145,000 acres of forest in northwest California.

"In fairness to the Simpson Timber Company, who have been most cooperative, the entire text of their letter follows:

"Honorable Ronald Reagan
Governor of California
State Capitol
Sacramento, California

Dear Governor Reagan:

The recent approval by the State Board of Forestry of our application to harvest timber on our properties in Humboldt and Del Norte Counties under an alternate reforestation plan has resulted in evident misunderstanding of our long-range forestry objectives.

We are confident that what we have proposed is sound forest management. It is based on experiences Simpson has gained in 81 years of practicing forestry. Alternate forestry plans are provided for by the laws of California and we have complied with these laws.

However, it appears there has not been sufficient communication of the facts among interested authorities and organizations. We want the facts to be known.

Therefore, we are requesting that the Board of Forestry ^{reconsider} review its action of June 30 whereby it approved this alternate plan. After such recision, we intend to resubmit a plan at hearings which we will request the Board of Forestry conduct in a manner allowing full public discussion and review.

We hope that further clarification within a time period not detrimental to our employees and customers will result in the public confidence so vital to the future of forestry in California.

Signed: Henry K. Trobitz, Manager
California Timberland Division
Simpson Timber Company
Arcata, California"

#####

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Be
445-4571 7-7-71

RELEASE: Immediate
MEMO TO THE PRESS

C O R R E C T I O N

Release #403:

The fourth paragraph of the letter from the Simpson Timber Company quoted in Release \$403 should read as follows:

"Therefore, we are requesting that the Board of Forestry rescind its action of June 30 whereby it approved this alternate plan. After such recision, we intend to resubmit a plan at hearings which we will request the Board of Forestry conduct in a manner allowing full public discussion and review."

#

PB

Governor Ronald Reagan today announced the following bills have been signed:

- AB 101 - Mobley
(Chapter 259) Makes the violation of provisions relating to weight limitations by vehicles upon highways, except in cases of weight violations where the amount of excess weight is less than 4,501 pounds, a misdemeanor, rather than an infraction. The bill also reduces from \$55 to \$50, the fine for violation of weight limitations when the amount of excess weight is in the range of 4,251 - 4,500 pounds.
- AB 236 - MacDonald
and
LaCoste
(Chapter 260) Requires notification of the Department of Motor Vehicles of actual mileage, as indicated by vehicle's odometer, of every motor vehicle under 6,001 pounds subject to registration under the Vehicle Code which is transferred or sold by its owner, transferred by sale, lease or otherwise, by a dealer, excluding sale or transfer by such a dealer to another dealer of new unregistered vehicle. The bill specifies that records of the department concerning mileage of motor vehicles shall be open to inspection by the public.
- AB 369 - Gonsalves
(Chapter 261) Eliminates the present cigarette tax exemption for donations of samples of five or less cigarettes in a packet. It requires donors of cigarettes to collect applicable cigarette taxes from donees and makes the cigarette taxes that must be collected by distributors and donors of cigarettes a debt owed by them to the state.
- AB 715 - Fenton
(Chapter 262) Requires issuance of reciprocity certificate authorizing practice as a physician and surgeon to individuals possessing specified qualifications who successfully complete a designated examination.
- AB 784 - Fong
(Chapter 263) Provides a procedure whereby a local agency formation commission in a county other than the principal county in which a special district is located may exercise exclusive jurisdiction for any particular proposal over such district.
- AB 1035 - Dunlap
(Chapter 267) Requires that classified school employees be furnished written information regarding class specification, salary data, assignment or work location, duty hours, and work week, at the time of initial employment and at each change in classification.
- AB 1464 - Knox
(Chapter 268) Revises the provision regarding mailing of notice by a county surveyor of the filing of a proposal for change of district boundaries and requires notice to be given to a city, county, or district the boundaries of which contain any portion of the lands described in the proposal and to each person who has filed a written request for special notice.
- AB 1570 - Johnson, H.
(Chapter 264) Requires that coldpack cheese food be sold in prepackaged form labeled in accordance with specified provisions of the Agricultural Code, rather than requiring such food be sold in the original unopened package.
- 2872
AB ~~2702~~ - Knox
(Chapter 265) Authorizes a board of supervisors to conduct and complete a district annexation, detachment or consolidation after local agency formation commission approval if the affected district fails to act after such approval.

Governor Ronald Reagan today vetoed the following bills:

AB 217 - Ralph Revises the geographical zones for horse racing days from two to three zones (northern, central and southern). The bill also increases the number of weeks of quarter horse racing in the southern zone from 13 weeks in 1971 to 25 weeks per year in 1974.

REASON FOR VETO: "The complex problems facing the horse racing industry today will not be resolved by the enactment of AB 217. There is a real need for comprehensive legislation affecting all elements of the racing industry in California. I recommend that the legislature consider such legislation at an early date.

Accordingly, I am returning the bill unsigned."

SB 319 - Kennick This bill revises the geographical zones for horse racing days from two to three (northern, central and southern). It also increases the number of harness racing days in the southern zone.

REASON FOR VETO "The complex problems facing the horse racing industry today will not be resolved by the enactment of SB 319. There is a real need for comprehensive legislation affecting all elements of the racing industry in California. I recommend that the legislature consider such legislation at an early date.

Accordingly, I am returning the bill unsigned."

#####

Governor Ronald Reagan announced today that Dr. Raymond A. Fleck, an environmental toxicologist at the University of California at Davis, has been named to head a state pilot project to monitor pollutants in the Monterey Basin.

He will direct the Monterey Basin Pilot Monitoring Project, which will focus the knowledge and experience of researchers from federal, state and local government, scientific institutions and private firms on the environmental problems of the basin.

Governor Reagan in announcing the pilot project last March said the Monterey Basin and its offshore waters were selected for the study because it is a small, well-defined geographical area that will allow researchers to measure and trace all potential sources of pollution: agricultural, industrial and municipal.

Dr. Fleck was chosen to head the project by the secretaries of Resources, Human Relations, and Agriculture and Services Agencies.

Other members of the project committee will include Cecil Martin, environment specialist, who will represent the Resources Agency, Henry J. Ongerth, chief of Sanitary Engineering in the Berkeley Bureau of the Department of Public Health, who will represent the Human Relations Agency, and Dr. Gordon F. Snow, special assistant to the Director of Agriculture, who will represent the Agriculture and Services Agency.

Dr. Fleck said the immediate goals of the project are to gain experience with a monitoring system that will reveal the movement and fate of harmful substances in the environment.

Dr. Fleck said that the next six months will be spent in defining goals and planning a program to achieve them. The actual monitoring will be carried out during calendar year 1972, and a project report will be issued early in 1973.

The work will be done with existing resources, he said.

#####

Governor Ronald Reagan today named Dr. J. M. Stubblebine, a San Francisco psychiatrist, as Director of California's Department of Mental Hygiene, subject to Senate confirmation.

Stubblebine, 50, Program Chief of Community Mental Health Services, San Francisco Department of Public Health, succeeds Dr. James V. Lowry in the \$32,500 per year post. Lowry retired July 1.

A founder and member of the Board of Directors of the Marin Mental Health Foundation, Stubblebine also served as Chief of Psychiatry at San Francisco General Hospital from 1966 to 1970. Previously, he was engaged in private practice in Marin County and also was Director of the Psychiatric Unit at Ross General Hospital and Psychiatric Consultant to Marin County Juvenile Hall.

Stubblebine was graduated from the University of Oregon in 1947 with a B. S. degree and received his medical degree from the school in 1951. After receiving speciality training at Langley Porter Institute in San Francisco from 1952 to 1956, he served on the staff as chief of Day and Night Service. He also has served as a member of the Board of Directors of Community Health Program and faculty member, Crime and Corrections Workshops for the past four years.

Since 1962, Stubblebine has been an assistant clinical professor, Department of Psychiatry, at the University of California Medical Center. He also has served on the clinical faculty at two theological seminaries in the bay area, and is the author of numerous works on mental retardation and community mental health.

Stubblebine lives at 2433 Stockton Street, San Francisco.

He is a Democrat.

#

Governor Ronald Reagan today announced a new coastal highway planning policy to prevent unwarranted intrusion by the State highway system on California's coastline.

Under the policy, the State Department of Public Works will permit only minimal freeway construction along a coastal zone that runs the length of the state.

The zone begins at the shore and extends inland to approximately the highest elevation of the nearest coastal mountain range. In areas where broad plains join the ocean, the zone will be extended at least a mile inland.

The plan will encourage traffic to use inland highways and consideration will be given to the construction of only those roads necessary for recreational and business travel, the governor said.

The new policy will also encourage and support uses which are dependent on the coastal zone's natural resources; enhance and conserve environmental qualities while minimizing disruption to stable ecological systems and will harmonize as nearly as possible with natural forms, he said.

In addition, it calls for maintaining the widest options for future generations; will assist in preserving unique scientific, educational and recreational opportunities, and will emphasize safe business and recreational driver enjoyment of the coast rather than the speed of vehicular movement.

The Governor said the new policy will also make local government a "working partner" with State Department of Public Works to implement the plan and seek creative solutions to transportation problems.

##

WAS

GOVERNOR'S SCHEDULE

July 12, 1971
through
July 18, 1971

Monday, July 12

Office appointments.

Overnight - Los Angeles

Tuesday, July 13

a.m.

Trustees Meeting, Los Angeles.

Afternoon

Depart for Jackson, Wyoming for Western Governors' Conference.

Overnight - Wyoming

Wednesday, July 14

Welfare Panel - Western Governors' Conference.

Return to Sacramento

Overnight - Sacramento

Thursday, July 15

2:45 p.m.

Taping of Bill Buckley's "Firing Line, KCRA.

Overnight - Sacramento

Friday, July 16

Regents' Meeting - San Francisco.

Overnight - Los Angeles

Saturday, July 17

No appointments scheduled.

Overnight - Los Angeles

Sunday, July 18

Overnight - Sacramento

#####

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-9-71

RELEASE: WENDY A. Ms.
July 11, 1971

PLEASE GUARD AGAINST PREMATURE
RELEASE.

#411

Governor Ronald Reagan today urged the State Senate to adopt a comprehensive series of administration-sponsored welfare reform amendments which would enable the state to prevent a tax increase this year.

He said rejection of the amendments would amount to "a vote for a tax increase" and would "constitute a stunning blow to the people who are depending on us, their elected representatives, to reform welfare so that it truly helps those who need it most at a cost we can all afford."

The governor also announced he has sent a letter to all county supervisors urging their support for his welfare reform program "to stop the automatic annual imposition of new state and local taxes caused by runaway welfare costs." He again pledged "that there will be no cost shifts to county government and the local property taxpayer as a result of our reforms."

Governor Reagan said he was "distressed to learn that the Democrat --on a strictly partisan political vote-- members of the Senate Finance Committee Thursday rejected the amendments which would have produced meaningful welfare reform.

"In doing so," he said, "the Democrat members of the committee chose to turn their backs on the fervent hopes, indeed demands, of the working men and women of the state for significant and truly meaningful welfare reform."

The governor said the bill (SB-796, Beilenson) the committee passed out and sent to the Senate floor "is not welfare reform. Without the amendments we have offered, it actually allows many of the present abuses and inequities of the welfare system to continue.

"Moreover," he said, "the bill as approved by the committee not only denies the \$108 million in legislative and related administrative savings to the state which the administration's amendments would have made possible but, even worse, it piles on up to \$86 million in additional state general fund costs during the current fiscal year."

The governor said the total difference between the increased state costs of the Beilenson bill and the savings to the state that the administration's proposed amendments would provide adds up to nearly \$200 million.

"This is an intolerable burden which the taxpayers would be forced to bear. Our citizens have a right to expect better from their elected representatives. They want and deserve true welfare reform---not schemes to perpetuate higher and higher welfare costs which can only end in bankrupting the state treasury.

"In turning down the amendments we have offered, the Democrat majority on the committee rejected out of hand more than 40 specific legislative proposals to reform welfare," he said.

"It would be tragic if the full membership of the Senate were to allow the partisan intransigence of the majority party members of the Finance Committee to prevail," he added.

Governor Reagan said, "For this reason I expect that the same welfare reform amendments which were rejected by the committee will be offered to the full Senate next week.

"The people of California will be watching. For, rejection of true welfare reform on the floor of the Senate will constitute a vote for a tax increase on the people," he warned. "It is that simple."

In his letter to the supervisors, the governor said:

"I am greatly concerned with what appears to be a misunderstanding, at least among some, about the reasons behind my veto of certain budget items relating to welfare and Medi-Cal.

"My sole objective in taking that action is simple and straightforward: to insure that California's already-overburdened local property taxpayers are not required to pay any more for welfare.

"As you know, I have repeatedly assured you that our welfare reform program will not shift costs to the counties. I am sure you also are aware that the legislature appropriated an unlimited amount to fund welfare this fiscal year.

"It was my intention in deleting certain appropriation language to reduce this infinite number of dollars (which was also infinite for the counties' share) to the figure required to fund a totally reformed system. Without reform, this leaves a \$108 million deficiency.

"I am hopeful that you will support our efforts to stop the automatic annual imposition of new state and local taxes caused by runaway welfare costs. I am sure we all share the same goal of making government more efficient while simultaneously taking care of those who truly need public assistance.

"It is unfortunate that some of the paid staff of the County Supervisors Association of California have chosen to misrepresent to you and to the public my intent. One staff member, who called my budget action a 'bleak day for the local property taxpayer,' is sorely misinformed.

"For it indeed will be a 'bleak day' for all taxpayers unless we join in reforming a system we all acknowledge to be in a complete mess.

"If my action in vetoing budget language helps to focus attention on the fiscal calamity that is sure to come without complete welfare reform, then it will have served its purpose. I hope you will understand this and join with me in stopping the ever-increasing spiral of higher and higher property taxes caused by uncontrolled welfare spending.

"Again, I pledge to you that there will be no cost shifts to county government and the local property taxpayer as a result of our reforms. I ask for your understanding and support."

#

THE 48 SIGNIFICANT DIFFERENCES BETWEEN THE WELFARE REFORM
MEASURES BY SENATOR CLAIR BURGNER (SB 544, 545 and 546)
AND SB 796 (BEILENSEN) AS AMENDED ON JULY 8, 1971

2 of Senator Burgener's welfare reform proposals are not contained in SB 796 (Beilenson), as amended on July 8, 1971. SB 796 (Beilenson) also contains six new concepts which would significantly add to the cost of welfare in California. The following is a detailed comparison of the 48 substantive provisions which differ in these two proposals:

1. Maximizing Grants

Section 3 of SB 545 (Burgener) would delete the word "maximum" from Section 10500 of the W&I Code which presently provides that: "Every person administering aid under any public assistance program ... shall endeavor at all times to perform his duties in such a manner as to secure for every person the maximum amount of aid" The Burgener measure would require those administering welfare to only secure that amount of aid to which a recipient is entitled. SB 796 (Beilenson) would restore the maximum aid language and would require those administering welfare to secure maximum aid for each recipient. This is very pertinent when compared to Section 28 of SB 796 (Beilenson), which provides a new maximum amount of aid which is substantially higher than the aid presently being granted under California's AFDC Welfare Program.

2. Treatment of Income

Section 11008 of the W&I Code presently provides that in computing the amount of aid, earned income of a recipient shall not be considered to the maximum extent permitted by federal law. Section 9 of SB 545 (Burgener) would provide that earned income would be considered, except where federal law requires that it be disregarded. SB 796 (Beilenson) would restore the existing language of 11008. This difference is quite significant when attempting to reduce aid to those recipients with higher income. SB 796 (Beilenson) would assure that every regulation change directed at the higher-income recipient would be fully challenged in the courts. Presently, one Superior Court has held that this application of Section 11008 is unconstitutional and constitutes a gift of public funds. Another Superior Court has upheld the provision. Until the California Supreme Court rules on this issue, SB 796 (Beilenson) would assure complicated legal challenges concerning the regulatory reform measures proposed by the State Department of Social Welfare.

3. Equitable Apportionment

Section 27 of SB 545 (Burgener) provides for a new system of equitably distributing funds to welfare recipients. Under current law, the more destitute recipients receive the least benefits. Under SB 545, appropriated funds would be distributed in an equitable manner to assure that grants to

the needy will significantly increase without any additional burden on the California taxpayers. This redirection and redistribution would result in a significant reform of California's welfare reform program and will redirect goals toward the better distribution of funds, while giving full consideration to the interests of both the recipient and the taxpayer. SB 796 (Beilenson) would delete this major reform and rather than redistribute funds would increase grants and substantially increase the cost of California's welfare program at the expense of the California taxpayer.

4. Payment of Full Needs

Section 28 of SB 796 (Beilenson) will eliminate the only fiscal controls that presently exist and would require payment of the full need of every recipient. "Need" is stated to be established pursuant to Section 11452 of the W&I Code. That section defines "need" and includes food, clothing, housing, medical and dental. In addition it includes any "items verified as needed", including household operation, education and incidentals, recreation, personal needs, and insurance." In other words, full need includes any need that can be established, without limit. In requiring the payment of full needs, this provision opens up a potential substantial increase in the cost of welfare in the costly AFDC program.

5. \$70 Maximum Grant Per Person (Inserted by Amendments of June 21, 1971)

California has been paying approximately \$53.00 per person in the Aid to Families with Dependent Children program. During June 1971, \$59 per person was paid. This amount is determined after income has been deducted, and is only an average. SB 796 (Beilenson) provides that the average grant computed statewide shall not exceed \$70.00 per month per recipient, plus cost-of-living adjustments from January 1, 1971. When combining this feature with the maximizing grant language (see Item No. 1, above), the elimination of present fiscal limitations (see Section 28 of SB 796 (Beilenson)), plus the broad language of Section 11452 which defines needs, the \$70.00 maximum assures that what is described to be a maximum would actually become a standard of aid. If this occurs, the financial difference between SB 796 (Beilenson) as amended July 8, 1971, and the Burgener reform measures would approach \$600 Million annually in state, county and federal costs.

6. Verification of Eligibility

Section 15 of SB 545 (Burgener) would provide that eligibility must be verified before an applicant receives assistance. SB 796 (Beilenson) does not contain this reform and would allow the granting of assistance prior to the verification of eligibility.

7. Stepfathers

Sections 22, 23, 24 and 29 of SB 544 (Burgener) would provide reasonable means to enforce present law concerning stepfathers and which provides that a wife's community property interest in her husband's earnings shall be available for support of the wife's children who otherwise would be on

welfare. The Legislative Analyst in its 1971 AFDC Financial Characteristics Survey Report indicates that 4.8% of the AFDC families involve a stepfather earning on the average of \$606 per month and are not contributing. SB 796 (Beilenson) would completely eliminate this significant stepfather reform.

8. Confidentiality - Franchise Tax Board Records

Section 1 of SB 546 (Burgener) would allow inspection of the welfare recipients' or the responsible relatives' income tax returns. SB 796 (Beilenson) would delete this reform. The January 1970 Fraud Review Panel Report indicates that during 1969, \$27,958,908 was improperly paid to welfare recipients because of their failure to fully report their income.

9. Cost and Attorneys' Fees in Absent Parent Support Actions

Section 5 of SB 544 (Burgener) would provide for the award of attorneys' fees and court costs to the prevailing party in absent parent support actions. SB 796 (Beilenson) eliminates this reform.

10. Award of Attorneys Fees and Court Costs to the County

Section 6 of SB 544 (Burgener) would allow the court to award attorney fees and court costs in absent parent support proceedings brought by a county. SB 796 (Beilenson) would delete this reform.

11. Attachment of Earnings

Sections 11 and 28 of SB 544 (Burgener) would allow the attachment of the absent parent earnings in any court action brought by the District Attorney or the County Department to enforce the support obligation of children receiving welfare aid. SB 796 (Beilenson) would delete this reform.

12. Child Protection

Section 16 of SB 544 (Burgener) would provide that a non-needy responsible relative's liability for child protective services to a child placed in a county institutions shall commence from the time the child is removed from the home or taken into custody. SB 796 (Beilenson) would delete this reform.

13. Child Protection - Legal Services

Section 17 of SB 544 (Burgener) would provide that in child protective situations, the cost of legal services shall be borne by the parents, if financially able, unless the child is taken into custody unlawfully. This reform is deleted by SB 796 (Beilenson).

14. Child Protection - Social Services

Section 18 of SB 544 (Burgener) provides for the non-needy responsible relative's liability for the reasonable value of any public social services rendered to the ward or dependent child including the services of social workers. This reform is not contained in SB 796 (Beilenson).

15. Prohibition against Liens

Section 19 of SB 544 (Burgener) would delete the prohibition against aid granted to a recipient of public assistance constituting a lien upon any property of the recipient. This reform is not contained in SB 796 (Beilenson).

16. Lien on OAS Program - (\$20,000 exemption)

Section 20 of SB 544 (Burgener) would provide for a lien on the estate of an OAS recipient in an amount equal to the aid granted to the recipient or an amount equal to the value of the estate exceeding \$20,000, whichever is less. SB 796 (Beilenson) does not contain this reform.

17. Enforcement of Support

Section 26 of SB 544 (Burgener) would shorten the time for referral to the District Attorney of absent parent cases, would provide for use of liens in the event of default and would give the District Attorney the authority to request immediate referral of any absent parent case. SB 796 (Beilenson) does not contain these provisions.

18. Support of Aged Parents

Section 30 of SB 544 provides for a realistic contribution scale concerning OAS recipients and their children. SB 796 (Beilenson) as amended on June 9 significantly reduces this scale.

19. Obligation of the Deserting Parent

Amendments were submitted for SB 544 (Burgener) which would obligate a deserting parent whose family is granted aid to repay the value of such aid to the county and which would require the District Attorney or, by agreement with the county, the state to enforce such obligation. SB 796 does not contain such provision and this amendment would insert it in SB 796.

20. Application for Hearings

Section 6 of SB 545 (Burgener) would reduce the time in which a recipient can request an administrative hearing to 90 days rather than one year. In view of the current recipient efforts to swamp the Department with their requests for hearings, it is essential that a more realistic time period for filing recipient claims be established. SB 796 (Beilenson) does not contain this needed reform.

21. Restitution for Under Payments

Section 8 of SB 545 (Burgener) would reduce the period for claiming under payment from four years to one year immediately following discovery. A one-year period from the time of discovery is more than reasonable for filing such a claim. SB 796 (Beilenson) does not contain this reform.

22. Burden of Proof Where Property Exceeds Allowable Amounts

Section 8 of SB 545 (Burgener) would place the burden of proof on the recipient, rather than on the county, where it is found that the recipient was possessed of property in excess of the amount permitted by law. SB 796 (Beilenson) does not contain this reform.

23. Casual Income and Inconsequential Resources

Sections 9 and 34 of SB 545 (Burgener) would provide that in computing income of a recipient, income shall include the value of casual income and inconsequential resources or assistance. SB 796 (Beilenson) would delete this reform.

24. Work-related Expenses

Section 10 of SB 545 will allow the Department to establish a reasonable allowance for work-related expenses. SB 796 (Beilenson) would add a deduction for payroll deductions. Since the \$30 of the federal \$30 and one-third income disregard requirement was intended to cover such payroll deductions, this addition contained in SB 796 (Beilenson) is an unnecessary duplication and would deprive the Department of the power to implement a desirable cost savings.

25. Interest on Savings Accounts

Section 12 of SB 545 (Burgener) would provide that interest on savings accounts shall be considered as income of the recipient. SB 796 would delete this reform.

26. Free Board and Lodging

Section 13 of SB 545 (Burgener) would delete the prohibition against deducting the value of free board and lodging of not more than one month from the grant. SB 796 (Beilenson) does not contain this reform.

27. Income-producing Property

Section 16 of SB 545 (Burgener) would not allow a recipient to own income-producing property apart from his home. SB 796 (Beilenson) does not contain this reform.

28. Multiple Dwelling Units

Section 17 of SB 545 would delete the provision which allows recipients to own multiple dwelling units. SB 796 does not contain this reform.

29. Personal Property Reserves

Sections 18 and 21 of SB 545 would require a recipient to use 75% of the allowable personal property reserve before being entitled to an additional special needs allowance. SB 796 does not contain this reform.

30. Maximum Value on Personal Property

Section 19 of SB 545 would place a maximum ceiling on the personal jewelry, personal effects and home furnishings for adult aid category recipients. SB 796 does not contain this reform.

31. Limit Eligibility to Age 18 Where Attending College

Section 20 of SB 545 would limit eligibility to age 18 where the recipient is attending college. SB 796 does not contain this reform.

32. AFDC Personal Property Maximum

Section 22 of SB 545 would place a maximum value limitation on personal property owned by an AFDC recipient. Present law fully exempts the value of clothing, furniture, household equipment including musical instruments and other recreation items, foodstuffs, fuel, personal effects and jewelry, exempted earned income of a child, and a child's accumulations saved for future education, preparation for future employment or other future identifiable needs. Section 796 does not contain this reform.

33. Lump-sum Income

Sections 23, 33 and 35 of SB 545 would require all lump-sum income to be considered income for all purposes. SB 796 does not contain this reform.

34. Annual Income

Section 24 of SB 545 would provide that no aid shall be paid because of unemployment, which is temporary in nature, if the annual gross income of the family equals or exceeds its annual need standard. SB 796 does not contain this reform.

35. Deletion of Maximum Participation Base (MPB)

Section 26 of SB 545 would eliminate the MPB, which is an artificial maximum grant limitation, resulting in higher-income recipients having a disproportionately higher percent of their unmet needs paid by welfare (in addition to the federal work incentive). SB 796 also would repeal the MPB, but would not replace it with a reasonable fiscal limitations such as would make the welfare system accept fiscal responsibility.

36. Flat Grants

Section 29 of SB 545 (Burgener) would allow the Department to establish a uniform statewide minimum basic standard of adequate care consolidated on the basis of statistical averaging. This will facilitate the adoption of a flat standard for each family group from which its income would be deducted in order to determine the allowable amount of aid. This extremely significant reform is not contained in SB 796 (Beilenson).

7 Duplicate Grants

Section 32 of SB 545 would prevent the duplication of aid to multiple grant families or where there is shared housing and other needs by more than one family group. SB 796 does not contain this reform.

38. Over Payments

Section 6 of SB 546 would extend from two to six months following the month of payment for a county to seek an adjustment for an over payment to the recipient. The existing two-month period is entirely unrealistic. SB 796 does not contain this reform.

39. Fraud

Section 6(d) of SB 546 would allow a county one year following the discovery of a fraudulent over payment in which to adjust grants. Such adjustment would be permitted concurrently with any suit for restitution. SB 796 does not provide for this reform.

40. Negotiation of Warrant Only by Payee

Section 7 of SB 546 would provide that only the named payee may negotiate a public assistance warrant. SB 796 does not contain this reform.

41 Uniform Penalties for Fraud

Section 11 of SB 546 would make the penalties for welfare fraud coincide with nonwelfare criminal penalties for fraud. These penalties would not be applicable to a child under age 18. SB 796 does not contain this reform.

42. Civil Penalties for Fraud

Section 11 of SB 546 provides comprehensive provisions for civil redress where a person knowingly obtains aid or service where there is no entitlement thereto. Restitution, plus liability for punitive damages where appropriate, is provided regardless of whether a criminal complaint is also filed. These penalties would not be applicable to a child under age 18. SB 796 does not contain this reform.

43. Redetermination of Eligibility to be Under Penalty of Perjury

Section 12 of SB 546 would provide that the certifying of eligibility in connection with an annual redetermination of eligibility shall contain a written declaration that it is executed under penalty of perjury. SB 796 does not contain this reform.

44. Additional Work Program

Section 15 of SB 796 (Beilenson) would require the Director to develop special work projects, submit a plan by the 1972 session and have employed no less than 25,000 persons by July 1972 at no less than the 80 hours per month at \$2.00 per hour. These payments would be in addition to the welfare grants and represent a substantial increase in cost of the welfare program. A more desirable and less costly approach is to provide public service employment whereby a recipient makes a contribution to the improvement of his community commensurate with the amount of his welfare grant and the number of hours it would take him to have earned such monies apart from welfare.

45. Family Planning Service

Section 16 of SB 796 (Beilenson) would require family planning service to be offered to all former, current or potential recipients of child bearing age. The Department will be required to make an annual report to the Legislature. Section 40 of SB 796 (Beilenson) would appropriate \$1 Million of state general funds to be available for this program.

46. Exemption of Student Loans and Grants

Section 21 of SB 796 (Beilenson) would exempt loans or grants to undergraduates from the State Scholarship and Loan Commission from consideration in determining eligibility or the amount of a welfare grant.

47. Emergency Assistance

Section 32 of SB 796 (Beilenson) would require each county department to provide emergency assistance to any family having children under age 21. This would expand welfare in California and would nullify recent regulation changes implemented by the State Department of Social Welfare. This would result in a significant increase in welfare costs.

48. Elimination of Relative's Responsibility for Health Care (Abortions)

Section 39 of SB 796 (Beilenson) would require Medi-Cal to finance abortions for non-needy pregnant minors and would eliminate the liability of a non-needy parent for reimbursement to the State.

Governor Ronald Reagan has submitted a sweeping reorganization plan to the legislature for environmental protection that sets up "a high command to direct the war against pollution on every front."

In announcing the plan, the governor said "all of our pollution problems, whether they concern air, water or solid waste, are related. Unless we attack and conquer them on a united front, we will fail to pass on to our children their rightful legacy of a clean land, clean air and clean water."

The plan creates a new Department of Environmental Protection to operate within the Resources Agency which will be re-named the Environment and Resources Agency.

Under the reorganization, functions of the State Water Resources Control Board, the Air Resources Board and state agencies concerned with solid waste management will come under the wing of the new department.

"By this action we are strengthening our ability to move quickly to control and prevent pollution problems before we reach the point of no return," the governor said.

In addition to marshalling anti-pollution forces under a single command, the plan will reduce overhead and administrative expenses and avoid overlapping and duplicating efforts, he said.

The plan would also bring the San Francisco Bay Conservation and Development Commission and the state's interest in the California Tahoe Regional Planning Agency and the bi-state Tahoe Regional Planning Agency in the new department for fiscal and personnel purposes, with the state's position with respect to Tahoe and BCDC continuing to be expressed by the Secretary for Environment and Resources.

Under the direction of the Secretary for Environment and Resources the new department will also work with the Office of Planning and Research in developing, evaluating and updating the State Environmental Goals and Policy Report, and will assist in developing plans and programs for transportation, water development, open space and recreation as they relate to the protection and enhancement of the environment.

It will also coordinate and help to develop the operation of a state-wide environmental monitoring system to assess implications of present growth and development trends on the environment as well as identify potential threats to public health, natural resources and environmental quality.

The plan calls for a coordinated effort by state, local and private groups in environmental research projects with the department acting as clearinghouse between the executive and legislative branches, state agencies and the private sector.

The Director of the Department of Environmental Protection will be appointed by the governor, subject to Senate confirmation.

A seven-member Environmental Quality Advisory Committee will be named by the governor to assume the functions, authorities and responsibilities of the Environmental Quality Study Council and the Water Quality Advisory Committee, both of which will be abolished.

#

WAS

Governor Reagan will install a sign depicting the mounting deficit caused by failure to enact welfare, Medi-Cal and tax reform at 11:30 a.m. today. The ceremony will take place at the State of California display case in the corridor of the Capitol next to the entrance to the Governor's Office.

The press is invited.

#

OFFICE OF THE GOVERNOR
Sacramento, Calif. a
Contact: Paul Beck
445-4571 7-12-71

RELEASE: Immediate

#413

Governor Ronald Reagan today announced the reappointment of John R. Teerink as chief deputy director of the Department of Water Resources.

Teerink, who has served in the post since 1967, joined the Department of Water Resources in 1946 and participated in the planning of the State Water Project.

He receives an annual salary of \$28,332.

Teerink lives at 2020 Latham Drive, Carmichael.

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WAS

July 12, 1971

The following statement, audiotaped in his private study by Governor Reagan, was made available to radio station news editors (via the Governor's Office beeper machine) after 3:30 p.m. today, July 12, 1971.

"Even though I bluepencilled a half-billion dollars from the state budget ten days ago, it still is out of balance because we don't yet have welfare reform, Medi-Cal reform and withholding.

"In fact, as the poster shows, the state is operating in the red at the rate of \$1.2 million a day because these reforms---which I proposed months ago---haven't been adopted.

"As of today the state has accumulated a deficit of \$14,400,000---dating back to the beginning of this fiscal year, July 1st. Tomorrow that will be \$5.6 million more and so on into the future. I would be derelict in my duty if I failed to warn the people of California that if the legislature does not act on these reforms in the next three weeks the opportunity to balance the budget without a massive tax increase will have been lost.

"Indeed, by the end of this month, the deficit will have grown so large that it cannot be made up by these reforms alone. And, if the legislature goes ahead and takes the three-week vacation in August as it is now planning, the direct cost to the hardworking men and women of California will be at least \$25 million in increased taxes.

"Therefore, if the legislature has not balanced the budget---either by passing these reforms, or by imposing new taxes, prior to August 1st, and does indeed go on vacation, I will consider it my duty to call them back into special session the next day, August 2nd, to take up these critical matters."

Governor Ronald Reagan today unveiled a poster in the corridor of the State Capitol which depicts the growing deficit facing state government caused by failure to enact welfare, Medi-Cal and withholding.

"Even though I eliminated half a billion dollars from the budget, it still is out of balance without these reforms," the governor said.

The poster shows the state faces a daily \$1.2 million deficit which has grown to \$14,400,000 since the start of the fiscal year July 1.

The governor pointed out that action must be taken quickly on the reforms which he proposed months ago.

"Should the legislature fail to act in the next three weeks," the governor said, "the opportunity to balance the budget without a massive tax increase will be lost.

"At the end of this month, the deficit will be so large it cannot be made up by the reforms alone.

"If the legislature takes its three-week vacation in August as they are now planning, the direct cost to the taxpayers of California will be at least \$25 million.

"Therefore, if the legislature has not balanced the budget---either by passing these reforms, or by imposing new taxes, prior to August 1--- I will consider it to be my solemn duty to call them back into special session on August 2."

#

Governor Ronald Reagan has announced the following bills have been signed:

- AB 353 - Crown
(Chapter 289) Deletes the provision allowing the board of directors of a hospital district to appoint two additional directors where the voters approve an increase of directors, from five to seven, in a qualifying district. The bill provides for submission of the names of candidates for additional directorships at the time the measure proposing an increase in the number of directors is submitted to voters.
- AB 1186 - Badham
(Chapter 290) Removes the requirement that the Department of Finance approve contracts for loans made by the Department of Navigation and Ocean Development to local governmental agencies for boating facilities.
- AB 1374 - Johnson, R.
(Chapter 291) Changes the salaries and number of positions of personnel of the municipal courts in Santa Cruz County and the Chico Judicial District.
- AB 1497 - LaCoste
(Chapter 292) Repeals the provisions in the Agriculture Code relating to sales, production, importation and labeling of egg products intended for human consumption. The Federal Egg Products Inspection Act which becomes effective July 1, 1971, preempts the state law. The U. S. Department of Agriculture has contracted with the California Department of Agriculture to carry out the inspection program.
- AB 1508 - Burke
(Chapter 293) Dissolves the Talbert Drainage District in Orange County, subject to approval of the local agency formation commission of Orange County, upon adoption of a declaration of intention to dissolve by the board of directors of the district and filing with the Secretary of State of an agreement by the City of Huntington Beach to assume all powers, duties, and functions of the district.
- AB 1532 - Hayden
(Chapter 294) Makes it a misdemeanor for anyone to remove, tear, mark or otherwise deface the index to the book of affidavits of registration posted at or near polling places with the intent to falsify or prevent others from readily ascertaining the name, address, or political affiliation of any voter, or the fact that a voter has or has not voted. The bill requires a notice of such fact to be posted on such index.
- AB 1671 - Badham
(Chapter 295) Provides for a dissolution of a highway lighting district upon annexation of the district to a specified maintenance district if the board of supervisors finds that prescribed conditions exist.
- AB 1673 - Badham
(Chapter 296) Permits a manufacturer or supplier licensed by the Department of Alcoholic Beverage Control to lease Real property to a licensed retailer under certain conditions. It also permits such licensees to hold stock in corporate retail licensees and allows retail licensees to hold stock in corporate manufacturers and distributors under specified conditions.
- AB 1685 - Dent
(Chapter 297) Permits a county to pay the expenses of a newly created county service area prior to the formal adoption of a budget under certain circumstances.

SB 625 - Carrell
(Chapter 285)

Establishes new requirements with respect to signs and display of licenses covering the established place of business of an automobile dismantler.

SB 708 - Carrell
(Chapter 286)

Deletes and re-enacts, with various revisions, the Vehicle Code provision prescribing permissible turns at intersections.

SB 843 - Carrell
(Chapter 287)

Revises the exemption from the "slow-moving vehicle emblem" requirement provided for vehicles used by highway authorities or bridge or highway districts in highway maintenance, inspection, survey, or construction work so that such vehicles must be engaged in work at the job site upon a highway.

SB 946 - Marks
(Chapter 288)

Revises salaries of certain attaches of the San Francisco Municipal Court.

Governor Reagan also announced the following bill has been vetoed:

AB 378 - Z'berg

Provides that State employees replacing employees in other public jurisdictions shall receive their rate of pay, or the rate of pay of employees in that jurisdiction that perform the same tasks for the jurisdiction, whichever is higher.

REASON FOR VETO:

"AB 378 could require a premium payment to state employees in the event they are required to serve in response to an appeal from local government to meet a local emergency. The powers enabling me to act in emergency situations are necessary to assure the continued functioning of vital and necessary services when the public welfare is threatened for any reason. This authority should not be encumbered by consideration of the compensation to be paid state employees or by the possible stigma of state interference in a local public agency labor dispute.

"Accordingly, I am returning the bill unsigned."

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-12-71

MEMO TO THE PRESS

Because of the press of office business the governor will not attend tomorrow's meeting of the state college trustees in Los Angeles. He will be overnight tonight in Sacramento.

#

EJG

Governor Ronald Reagan today announced the following bills have been signed:

- AB 301 - LaCoste
(Chapter 314) Permits a school district governing board to order the drawing of a new warrant to replace a school warrant which has become void.
- AB 460 - Knox
(Chapter 315) Includes school districts within the terms "state department or agency" for purposes of the Insurance Code provision relating to placing of life or disability insurance with a particular agent, broker or company.
- AB 531 - Barnes
(Chapter 316) Extends provision for allowance to survivors of a member who dies after attaining minimum retirement age to all local members of the Public Employees' Retirement System.
- AB 568 - Keysor
(Chapter 317) Provides that classified school employees laid off because of lack of work or lack of funds have the right to participate in promotional examination with a school district during the 39-month period after layoff. The bill also extends to classified employees of a school district not under a merit system, certain provisions relating to layoff and reemployment of classified employees of a school district which is under a merit system.
- AB 582 - Dent
(Chapter 318) Excepts from the provision granting rights to leave of absence, sick leave and bereavement leave to certificated employees employed by a county superintendent of schools and whose salary is paid from the county school service fund those persons who are civil service employees, merit system employees or were elected to office. The bill also makes applicable to such employees provisions concerning certain rights accorded probationary employees of school districts regarding termination of employment.
- AB 684 - Bee
(Chapter 330) Revises the Education Code provisions regarding the authority of the Superintendent of Public Instruction to grant yearly exemption from class size penalty provisions to a unified school district, to cover a pilot program of team instruction in mathematics, as well as reading, or both, to be conducted in elementary schools approved by the Superintendent of Public Instruction.
- AB 830 - Barnes
(Chapter 319) Makes technical amendments to the Public Employees' Retirement Law. The bill also modifies the definition of "industrial" as applied to law enforcement members.
- AB 1317 - Powers
(Chapter 320) Requires registered electrical and mechanical engineers to sign and seal plans, specifications, reports and documents prepared by them or under their direction.
- AB 1320 - Powers
(Chapter 321) Redefines the term "responsible charge of work" as used in the Professional Engineers Act to describe the nature of the services performed by a registered engineer. The term is presently defined as including "supervision" of engineering projects. The bill eliminates "supervision" and substitutes "direct engineering control."

- AB 1321 - Powers
(Chapter 322)
- Amends the Professional Engineers Act by adding a definition of "supervision of the construction of engineering structures." This phrase is defined as meaning "the periodic observation of materials and completed work to observe their general compliance with plans, specifications, and design and planning concepts" and as excluding "responsibility for the superintendence of construction programs, site conditions, operations, equipment, personnel or the maintenance of a safe place to work or any safety in, on or about the site of any work."
- AB 1322 - Powers
(Chapter 323)
- Amends the Professional Engineers Act by expanding the authority of the Board of Registration for Professional Engineers to grant registration in engineering disciplines other than the ones specifically provided for in the Act.
- AB 1323 - Powers
(Chapter 324)
- Allows the Board for Registration for Professional Engineers to give credit for certain postgraduate work and teaching experience in the case of applicants for registration as civil engineers as is presently allowed with respect to all other applicants for registration as professional engineers, and permits rather than requires, such credit for teaching experience.
- AB 1511 - Conrad
(Chapter 325)
- Changes the date on which appointments to the Republican State Central Committee must be delivered to Secretary of State from the Tuesday immediately preceding the Sunday in which the first meeting is held to the tenth day preceding such Sunday.
- AB 1690 - Belotti
(Chapter 326)
- Provides that for purposes of assessment and taxation, any annexation to a fire protection district shall be effective for the 1971-72 fiscal year and thereafter if the required statement, map or plat was filed with the county assessor and the State Board of Equalization on or before January 1, 1971, and the certificate of completion was filed with the Secretary of State prior to February 2, 1971.
- AB 1920 - Stacey
(Chapter 328)
- Prohibits persons from managing dispensing optician operations at more than one address.
- AB 1692 - Belotti
(Chapter 327)
- Extends the time in which the certificate of completion of proceedings for detachment of territory from a community service district and from a fire protection district in an annexation by a city may be filed with the Secretary of State, and the time in which statements, maps and plats may be filed with the tax or assessment levying authority, for assessment and tax purposes for the 1971-72 fiscal year.

SB 27 - Grunsky Chapter 298	Authorizes investigators employed by a district attorney or the Attorney General to possess tear gas and tear gas weapons.
SB 65 - Carrell Chapter 299	Adds parents who are licensed vocational nurses to the priority list for eligibility in determining the need of a child for childrens centers' services. The bill gives the same priority to licensed vocational nurses that is presently given to registered nurses.
SB 76 - Carpenter Chapter 300	Provides for the appointment, compensation, employment benefits, and administration of personnel of the Orange County Superior Court.
SB 88 - Cologne Chapter 301	Prohibits resort improvement districts from engaging in any activity or providing any service not already engaged in or provided, or budgeted for, as of July 1, 1970. Provides that whenever any activity or service of a district is terminated, it shall not be reactivated.
SB 246 - Bradley Chapter 302	Requires the reporting notes of official court reporters to be delivered to the county clerk when the reporter dies, retires, resigns, is dismissed, or upon any other absence for more than 30 days, and requires the reporting notes of pro tempore court reporters to be delivered to the county clerk upon termination of the reporter's appointment. The bill also permits destruction of court notes after five years instead of 10 years.
SB 335 - Short Chapter 303	Deletes the existing Revenue and Tax Code provisions for refund and cancellation of tax on late filed exemptions for college, cemetery, church, exhibition, orphanage and welfare exemptions. The bill reenacts such provisions as a comprehensive system and limits to \$250 the amount of tax any qualifying organization must pay.
SB 440 - Cologne Chapter 304	Amends the Desert Water Agency Law to permit the adoption of code laws by reference, increases the pay of directors from \$30 to \$50 per meeting, and permits the agency to retain exclusive control over water it makes available. The bill also permits water rates to be fixed at a rate that will repay advances made from the agency's general fund to an improvement district, and provides for termination of bond issuing authority whenever advances made from an improvement bond issue are repaid from other funds.
SB 486 - Bradley Chapter 305	Provides that the prohibition against the Savings and Loan Commissioner, his employees, and specified parties who participated in reorganization, merger, or rehabilitation of a savings and loan association from serving as officer or employee with the reconstituted association for two years after the reorganization, merger, or rehabilitation applies only to a reorganization, merger or rehabilitation in which the Commissioner takes possession of an association's assets or business.
SB 489 - Coombs Chapter 306	Prohibits any local governmental body, or any agency thereof, from conditioning the issuance of any building or use permit or zone variance in a specified manner.

- SB 558 - Lagomarsino Chapter 307 Increases the daily rate for court reporters pro tempore when they are on duty in the Santa Barbara Superior Court.
- SB 641 - Coombs Chapter 308 Amends the Mojave Water Agency Act to require any person who intends to drill a water well or to divert surface water within the Mojave Water Agency to file a notice of intention with the agency at least 15 days prior to the commencement of construction. Persons failing to file the required notice will be subject to a civil penalty.
- SB 663 - Bradley Chapter 329 Requires reserve deposits or funds on credit life insurance and credit disability insurance ceded to a nonadmitted reinsurer to be deposited in bank located in California in order to receive credit in accounting and financial statements on account of such ceded reinsurance.
- SB 772 - Coombs Chapter 309 Authorizes the Crestline-Lake Arrowhead Water Agency to supply and deliver water to any property not subject to agency taxes, rather than to specified public agencies and property, at such special rates, terms, and conditions as the agency board may determine.
- SB 840 - Cologne Chapter 310 Revises the procedures and conditions for issuance of callable bonds by reclamation districts, authorizes municipal water districts to disseminate information concerning rights, properties and activities of the district, increases permissible standby charges on a parcel of less than one acre from \$5 to \$10, authorizes municipal water districts to engage in the garbage collection and disposal business, and authorizes municipal water districts to issue bond anticipation notes where the bonds have been approved by the people.
- SB 1134 - Moscone Chapter 311 Provides for transfer of the Palace of Fine Arts from the Department of Parks and Recreation to the City and County of San Francisco.
- SB 1263 - Gregorio Chapter 312 Allows the City of Millbrae to use lands previously owned by the state for park and open spaces purposes rather than for street and highway purposes only.
- SB 1636 - Kennick Chapter 313 Authorizes general law cities which did not impose a property tax for the 1970-71 fiscal year to pass an ordinance prior to July 15, 1971, rather than on or before March 1, 1971, which would provide for the levy and collection of the city's property tax by the county for the 1971-72 fiscal year.

Governor Reagan also announced the following bill has been vetoed:

- SB 150 - Dymally This bill deletes the Elections Code requirement that all proceedings at the polls be conducted in English, and the prohibition against election officials speaking a language other than English.

REASON FOR VETO: The repeal of Section 14217 only adds uncertainty to the already confused state of California's election law. It merely would remove the current negative prohibition in the law requiring English to be the language used by election officials at polling places. By failing to create anything positive in its place to fill the void, it would create more uncertainty as to the duties and obligations of election officials.

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EJG

Governor Ronald Reagan today announced the following bills have been signed:

- AB 1310 - Foran (Chapter 342) Exempts from certain reporting requirements of Retirement Systems Disclosure Law a retirement system in which all contributions are paid to state or federal savings and loan associations doing business in this state. The bill also grants authority under specified conditions to domestic savings and loan associations to act as trustee of specified stock bonus, pension or profit-sharing plan and provide for the sale of checks, including travelers checks and money orders.
- AB 1704 - MacGillivray (Chapter 343) Permits employers to pay executive, administrative and professional personnel once a month at the end of the month, or not later than seven days following the close of the pay period.
- AB 1746 - Chappie (Chapter 344) Provides that no fee for the change of address of a real estate licensee shall be charged where there is no physical change in location of his office.
- AB 2242 - Russell (Chapter 345) Requires an irrigation district collector upon an assessment becoming delinquent to collect, in addition to the assessments due and specified penalties and costs, the costs of publication of the list of delinquencies and notices.
- AB 3095 - Monagan (Chapter 346) Provides that on or after June 30, 1971, no state officer or employee shall be deemed to have a break in service or to have terminated his employment, for any purpose, solely because of the failure to enact a Budget Bill for the 1971-72 fiscal year prior to the end of the preceding fiscal year. The bill also provides that any officer or employee who entered state service between June 30, 1971, and the effective date of the Budget Bill for the 1971-72 fiscal year shall be considered a state officer or employee from the time he entered state service until that date, notwithstanding the failure to enact a Budget Bill for the 1971-72 fiscal year prior to his entry into service.
- SB 90 - Mills (Chapter 332) Provides that the Department of Public Works and the California Toll Bridge Authority shall consider the inclusion of bicycle and pedestrian access on all future toll bridges except the Southern Crossing.
- SB 248 - Coombs (Chapter 333) Sets forth as an additional basis for setting aside a conviction that defendant has been discharged prior to termination or probation or a court has determined that such relief should be granted.
- SB 454 - Kennick (Chapter 334) Extends the scope of the California Highway Patrol's safety regulations to include any combination of a two-axle truck and pole, pipe or logging dolly which exceeds 40 feet.
- SB 511 - Carrell (Chapter 335) Authorizes the Department of Motor Vehicles to cancel driving school operators and driving instructor licenses issued in error or voluntarily surrendered and permits immediate reapplication at no fee.
- SB 664 - Bradley (Chapter 336) Amends, adds and repeals various sections of the Insurance Code, consolidating, without change in amount fees for variable annuity agents' applications and licenses into general fee provisions for production agencies. The bill also provides that specified provisions relative to inactivation and reactivation of underlying life agent's license shall apply to a variable annuity agent's license.
- SB 116 - Deukmejian (Chapter 331) Makes state employees in the positions of "institution fire chief" or "institution fireman" safety members of the Public Employees Retirement System.

SB 665 - Bradley
Chapter 337

Exempts all insurers, rather than only life insurers, from the prohibition against admitted insurer's officers, directors, trustees, and any person having authority in management of insurer's funds, from certain insider financial dealings with the insurer if such officers, directors, or trustees do not own more than 5 percent of stock of any corporation with which the insurer is entering into transaction.

SB 667 - Bradley
Chapter 338

Requires surplus line brokers to file on or before May 1, rather than March 1, a sworn statement of all business transacted during last preceding calendar year. The bill also requires that each surplus line broker, on or before May 1, rather than July 1 of each year, to pay the gross premiums tax on business done by him in the preceding calendar year.

SB 721 - Carpenter
Chapter 339

Requires the Insurance Commissioner to mail, on or before March 15 of year of expiration of a permanent license of an insurance production agency, a renewal application for such license to the licensee or the employer in the case of a solicitor. The bill also deletes the requirement that the Insurance Commissioner notify insurance production agencies of impending license expiration and eliminates the requirement to maintain a list of such production agencies so notified.

SB 1183 - Burgener
Chapter 340

Eliminates provisions limiting authority of irrigation districts to provide for sewage disposal to districts meeting specified qualification as to size of district and purpose for which water is supplied by district.

SB 1233 - Bradley
Chapter 341

Makes reciprocals subject to all of the provisions of the Insurance Code, except for listed exemptions.

Governor Reagan also announced the following bill has been vetoed:

SB 469 - Alquist

Requires that the administration and maintenance portions of the annual State Highway Budget be subject to Department of Finance and legislative approval and that the remaining portions of the budget be subject to the approval of the California Highway Commission. It also removes the monetary limitations relating to the funds which may be spent for administration, maintenance and landscape maintenance.

REASON FOR VETO:

"There appear to be several inherent defects in this legislation. It would leave the California Highway Commission responsible for preparing the capital outlay portion of the State Highway Budget without the authority to assure that such work is adequately supervised. The bill would also create serious timing problems in that the state highway capital outlay program must be undertaken six months prior to the time when the portion of the budget covered by this bill would be established. My action, however, is based primarily upon the belief that enactment of SB 469 and bills like it at this time would be premature. I recognize that the State Highway Budget procedure should be substantially overhauled. For more than a year now, a multidisciplinary task force has been engaged in an intensive review of the existing highway budget process. It appears that this group will be in a position to make recommendations for changes prior to January 1, 1972, at which time it is anticipated that substantive changes will be recommended to the legislature," the governor said.

#

EJG

July 13, 1971

The following statement, attributable to a spokesman for the governor, was given to AP, UPI and the L.A. TIMES at approximately 6:30 p.m., July 13, 1971.

"Today's amendment to SB 796 purports to reduce state welfare costs for this year by \$23 million. Even if this claim is accurate it would still leave the state at least \$85 million short of the amount needed to operate welfare with no reform at all. The so-called job training provision still in the bill could add up to \$50 million to this deficit.

"Enactment of the Burgener bills would prevent the massive tax increase which SB 796 in its present form will require."

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-14-71

RELEASE: Immediate

#418

Governor Ronald Reagan today announced that school board members and school district superintendents across the state will soon be receiving a summary report prepared by an education task force he commissioned last year aimed at helping them make sure their school dollars are being well spent.

The summary report (attached) is based on a lengthy study conducted by the task force during the past year which will be available to the public by August 1 at a nominal charge of \$1.00 to cover printing and mailing costs.

The governor said the California School Boards Association will mail the summary report to its members and school district superintendents.

The task force was headed by James S. Dwight, chief deputy director of the State Department of Finance and Assistant to the Governor John T. Kehoe.

#

EJG

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-15-71

RELEASE: Immediate
#419

Governor Ronald Reagan today announced the appointment of Redwood City attorney James B. O'Grady to the Palo Alto-Mountain View Judicial District Municipal Court.

O'Grady, 46, a Democrat, will receive an annual salary of \$30,724. He succeeds Judge William Ingram who has been elevated to the Santa Clara County Superior Court.

A practicing attorney in San Mateo and Santa Clara Counties since 1953, O'Grady is a partner in the Redwood City firm of Berlin, O'Grady and Goodman. Previously he served as an Assistant United States Attorney in San Francisco.

O'Grady is a graduate of the University of the Pacific and earned his law degree at Northwestern University's School of the Law in Chicago.

He and his wife have five children. The family home is in Palo Alto.

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-15-71

RELEASE: Immediate

#420

Governor Ronald Reagan of California and Elliot L. Richardson, secretary of the Department of Health, Education, and Welfare, met today in Sacramento.

Governor Reagan and Secretary Richardson both termed the meeting "a useful and informative working session."

In the meeting, with members of their respective staffs, discussion was focused both on the provisions of the national Welfare Reform Bill (H.R. 1) recently passed by the House of Representatives and on the provisions of Governor Reagan's proposals for California welfare reform.

and
The governor/the secretary stated that "this was not a decision-making meeting, but rather a frank and detailed briefing on the proposals for welfare reform now pending both in Washington and in Sacramento."

#

Governor Ronald Reagan today named five members to the Consumer Advisory Council in the Department of Consumer Affairs.

The council, created by 1970 legislation, will conduct studies on consumer protection and will recommend laws to protect and promote the interests of consumers.

Members will include John S. Lyons, a San Diego labor official; Robert S. Bell, a Los Angeles business executive; Joseph Barish, a San Francisco executive; James W. Carroll, an Oakland broadcaster and civil rights leader, and Mrs. A. Jean Boyd, a Girl Scout official.

Lyons, 60, a San Diego civic leader who has a long career in service and fraternal activities, is Secretary-Treasurer of the Teamsters Union, Local 36. He will represent labor on the council. He lives at 3756 Aliso Court, Bonita. He is not registered with a political party.

Bell, 56, assistant to the president of Teledyne, Inc., is active in numerous local, state and national civic, service and professional organizations including the public affairs committee of the U. S. Chamber of Commerce and the education and statewide welfare committees of the California Chamber of Commerce. He will represent business on the council. He lives at 10428 Sunset Boulevard, Los Angeles. He is a Republican.

Barish, 41, Director of Public Affairs for the Del Monte Corporation, will also represent business. He also is active in numerous civic, service and professional organizations including the Consumers Committee of the California Chamber of Commerce and the Consumers Issues Committee of the U. S. Chamber of Commerce. He lives at 156 Bay View Avenue, Belvedere. He is a Republican.

Carroll, 56, vice president of Sonderling Broadcasting Corporation a veteran newspaperman and broadcaster, will represent voluntary consumer agencies on the council. He has been active in the San Francisco Sales and Marketing Executives Association, the United Taxpayers and Voters Union,, a West Oakland consumer group, and the Rental Housing Advisory Committee of the City of Berkeley. He is a Democrat. He lives at 2315 Parker Street, Berkeley.

Mrs. Boyd, 37, Director of Field Services for the San Gorgonio Girl Scout Council in Colton, will also represent voluntary consumer agencies. She is a member of the Consumer Panel of America, the Urban League Guild, the Association of Girl Scout Professional Workers and other civic and service groups. She lives at 2968 Lincoln Drive, San Bernardino. She is a Republican.

Senator Alfred Alquist of San Jose will represent the State Senate on the council. An Assembly representative on the council will be announced.

Council members will receive necessary expenses.

#

RR STATEMENT

GIVEN BY TELEPHONE TO PACIFIC SHIPPER - JULY 16, 1971 WAS

"I fully support the action of the Western Governors' Conference in asking President Nixon to use every tool at his command to end the longshoremen's strike. It is essential not only to economy of our state but to the many thousands of people whose jobs are affected, including the longshoremen and their families, that a swift and honorable solution be found for this prolonged dispute."

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-16-71

RELEASE: Immediate

#422

Governor Ronald Reagan today announced the appointment of Westminster Municipal Judge James K. Turner to a newly-created Orange County Superior Court and the appointment of Whittier attorney Jerrold S. Oliver in the North Orange County Judicial District Municipal Court.

Judge Turner, 42, will receive an annual salary of \$33,396. He was named to the West Orange County Judicial District Municipal Court in 1969 by Governor Reagan.

He is a former Deputy District Attorney of Orange County a Deputy City Attorney for the City of Los Angeles and has practiced law in Beverly Hills and Corona Del Mar.

Judge Turner is active in numerous civic and professional legal organizations. He and his wife Myra have four children. The family home is in Laguna Beach.

Oliver, 45, will receive an annual salary of \$30,724. He succeeds Judge Kenneth E. Lae who has been elevated to the Orange County Superior Court.

Oliver has practiced law in Southern California since 1957 and since March 1963 has maintained his office in Whittier.

He is a graduate of Oregon State University at Corvallis and earned his law degree from the University of Southern California.

Active in civic affairs, he has served as a member of the Whittier Parks and Recreation Commission and as Honor Club President of Sertoma International.

Oliver is a member of the State Bar of California, the Orange County Bar Association, the Los Angeles County Bar Association, the Whittier Bar Association, the American Bar Association and the American Arbitration Association.

He is married and has two sons. His home is in La Habra.

Both appointees are Republicans.

#

WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-16-71

RELEASE: Immediate

#423

Governor Ronald Reagan today announced the reappointments of Robert W. Sigg, chairman, and Claude Minard to four-year-terms on the Unemployment Insurance Appeals Board, subject to Senate confirmation.

Swigg of 5412 Raimer Way, Carmichael, has served on the board since 1967. As chairman he receives an annual salary of \$28,875.

Minard of 1385 Dana Avenue, Palo Alto, has also served on the board since 1967. He receives an annual salary of \$27,500.

Both men are Republicans.

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-16-71

MEMO TO THE PRESS

#424

GOVERNOR'S SCHEDULE

July 19, 1971
through
July 25, 1971

Monday, July 19

2:00 p.m.

Brief remarks to Consumer Fraud Task Force, Governor's Council Room.

Overnight - Sacramento

Tuesday, July 20

Office appointments.

Overnight - Sacramento

Wednesday, July 21

Office appointments.

Overnight - Sacramento

Thursday, July 22

Office appointments.

Overnight - Sacramento

Friday, July 23

Evening

San Diego RSCC Fund Raiser, Town and Country Convention Center, San Diego.

Overnight - Los Angeles

Saturday, July 24

No appointments scheduled.

Overnight - Los Angeles

Sunday, July 25

No appointments scheduled.

Overnight - Sacramento

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OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-16-71

RELEASE: Immediate

#425

Governor Ronald Reagan today announced the appointment of Norman F. Aye, Santa Rosa civic leader, and the reappointments of Edgar E. Carriger of Santa Cruz, Alfred H. Merrill of Arcata, and Conrad L. Cox of Ukiah to four-year-terms on the District Forest Practice Committee, Redwood Forest District.

The governor also announced the appointment of Floyd A. Ross, Jr., vice president of the Savings Bank of Ukiah, as a public member of the District Forest Practice Committee for the Coast Range Pine and Forest District.

Ross, a Republican, will represent the public on the committee. He lives at 2 Fairview Court, Ukiah.

Aye, 35, manager of the Pacific Telephone Company in Santa Rosa, will represent the public on the committee. He is active in numerous civic and service organizations, including the Sonoma County Farm Bureau, the Redwood Empire Association and the Golden Empire Boy Scouts of America Executive Committee.

Aye, his wife Patricia, and their two children live at 5111 Gold Lake Drive, Santa Rosa. He is a Republican.

Cox, of 3 Tan Oak Street, Ukiah, an attorney, will serve as a public member on the committee. He is a Republican.

Carriger, who lives at 365 Gault Street, Santa Cruz, is manager of the Santa Cruz Lumber Company. A member of the committee since 1948, he represents private timber owner-operators. He is a Republican.

Merrill, chief forester for Georgia Pacific Corporation's Big Lagoon Operation, lives at 1635 Virginia Way, Arcata. He has served on the committee since 1964 as a representative of the private timber owner-operators. He is a Republican.

#

WAS

Governor Ronald Reagan today announced the appointments of Antonio Bueno, Los Angeles attorney and Mexican-American civic leader, Mrs. Susan Schwab, a Piedmont housewife, and Mrs. Jacqueline Harker, an Encino civic and social welfare leader, to the State Social Welfare Board.

Bueno, a founding member of the Mexican-American Political Association and a 1962 Democratic assembly candidate, succeeds Arthur R. Tirado of Fresno, whose term has expired.

Mrs. Schwab, who has been active in Alameda County civic affairs, succeeds Dr. Walter W. Dolfini of Eureka, whose term has expired.

Mrs. Harker, who was named as San Fernando Valley's "Citizen of the Year for 1970" for her work in social welfare and other civic activities, succeeds Mrs. Mary R. Ripley of Los Angeles.

Bueno, who joined the Republican Party in 1969, is a director of the Los Angeles County Epilepsy Society, a legal counsel to the Boyle Heights Improvement Association, a member of the East Los Angeles Committee Against Narcotics, a member of the Los Angeles County Human Relations Committee and is active in the Mexican-American Lawyers Club, the Alianza del Impulso Artistico, the East Los Angeles Cultural Society of the Blind and numerous other civic and service groups.

Bueno and his wife Elizabeth have two children. The family lives at 337 North Dillon Street, Los Angeles.

Mrs. Schwab and her husband Charles have three children. The family lives at 110 Waldo Avenue, Piedmont. She is a Republican.

Mrs. Harker, who has also received the Ann Manion Schlarb Award for her service work with the United Way and a Certificate of Merit from the San Fernando Valley Welfare Planning Council, is also a director of the Los Angeles County Visiting Nurses Association and numerous other service and civic groups.

She and her husband Richard have three sons. The family home is at 4500 Densmore Avenue, Encino. She is a Republican.

Members of the welfare board serve at the pleasure of the governor and receive \$25 per diem while on official duty.

The appointments are subject to Senate confirmation.

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WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-19-71

RELEASE: Immediate

#427

Governor Ronald Reagan today named William B. Skelton, instructor in Narcotics and Dangerous Drugs at the California Highway Patrol Academy, to serve as Coordinator of the State Office of Narcotics and Drug Abuse Coordination.

Skelton, 45, a veteran of 25 years in law enforcement, is a former police chief of Weed and has served with the CHP for the past 16 years. He succeeds Art Suddjian, who resigned to return to the educational field.

As an instructor at the CHP Academy for the past eight years, Skelton authored the narcotics guide used by the CHP and has conducted classes for school officials on drug abuse.

He holds a degree from Sacramento City College, has attended the Federal Bureau of Narcotics and Dangerous Drugs School and has worked with several drug abuse programs in the Sacramento area.

Skelton and his wife Agnes live at 9020 New Dawn Drive, Sacramento. He is a Republican.

The post has a salary range from \$18,576 to \$22,584.

#####

WAS

Governor Ronald Reagan today named three alternate members to the Intergovernmental Board on Electronic Data Processing.

They are Terrence M. Eagan, a special assistant to Resources Secretary Norman B. Livermore; Herman L. Pede, administrative assistant (Business Services) Sacramento City Unified School District; and R. L. Smith, manager of Automated Information Services, State Department of Justice.

Eagan will represent the Resources Agency on the board succeeding John Tooker, who resigned to accept a position as deputy director of the State Office of Planning and Research.

Pede and Smith will serve in newly-created slots on the board. Pede will represent the California Association of School Administrators and Smith will represent the Department of Justice.

Eagan, who lives at 6000 Hoffman Lane, Fair Oaks, and Pede, who lives at 63 Cavalcade Circle, Sacramento, are Republicans. Smith, who lists no political affiliation, lives at 1733 63rd Avenue, Sacramento.

Board members receive no compensation.

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-19-71

RELEASE: Immediate

#429

Governor Ronald Reagan today appointed Bertram S. Griggs, a veteran corrections officer, as warden of the California Institution for Men at Chino, subject to Senate confirmation.

Griggs, 50, a Republican, will receive an annual salary of \$22,584. He succeeds Elmer J. Oberhauser, who has retired.

A member of the Department of Corrections since 1952, Griggs began his career as a parole agent in Los Angeles and worked his way up through the ranks to administrator of the Parole Division for the Los Angeles Region, a post he has held since 1967.

He is a graduate of Morehouse College in Atlanta, Georgia, has completed post-graduate work in social work at the University of Southern California and Harvard University and recently completed a year-long fellowship at the Center for the Advancement of Criminal Justice at Harvard.

Griggs and his wife Evelyn have two children. The family home is at 704 West Howard Street, Pasadena.

#

WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-20-71

RELEASE: Immediate

#432

Governor Ronald Reagan today announced the selection of four career state government employees as winners of the Annual Governor's Executive Development Scholarship Awards.

The four winners will attend an intensive four-week program of executive development at the University of California Graduate School of Business Administration, Berkeley.

Selected for the special advanced graduate courses because of their demonstration of effective managerial and leadership potential are Jack E. Peddy, assistant state highway engineer in the Department of Public Works; Clifford L. Allenby, program budget manager for the Department of Finance; Richard T. Soderberg, chief of the audits division Department of Finance; and James W. Connor, assistant deputy director for program services of the Department of Human Resources *Development*.

Soderberg and Connor will attend the Fall, 1971 session at the Berkeley university, from October 10 to November 5, and Peddy and Allenby will attend the Spring, 1972 session lasting from April 23 to May 19.

Objectives of the four-week executive development program are to analyze the fundamentals underlying the environmental forces of change influencing business and government decisions; to recognize the present and likely future trends and problems created by change; and to evaluate the possible actions of business and government to manage the forces of change.

Faculty for the various seminars is drawn from the several campuses of the University of California. In addition, civic and governmental leaders concerned with public and private sector policy issues will be guest speakers at a number of the seminars.

Conner, who has served as assistant deputy director for the program services in the Department of Human Resources Development for the past year, is responsible for statewide program planning and evaluation of manpower programs within the Job Training, Development and Placement Division.

Conner was instrumental in the development of plans for the implementation of the Department of Human Resources Development when it was changed over from the Department of Employment. As an employee of the Department of Water Resources in 1964, he was named to receive its "Award for Management Excellence."

He and his family reside in Carmichael at 5645 Fair Oaks Boulevard.

Soderberg has served as chief of the Audits Division for the Department of Finance for the past year. Prior to that appointment he was assistant director of the Department of Public Works where he headed a three-man task force responsible for the total reorganization of the department.

In the Department of Finance, he directs the Audits Division which is comprised of 85 professional auditors and performs management audits for the director of finance, the governor's cabinet and agency secretaries in major problem areas.

Soderberg and his family live at 1231 Fay Circle in Sacramento.

Peddy, who has been serving as Assistant State Highway Engineer for the past four years, is head of program management for the Division of Highways. He is responsible for development of the long-range capital outlay and support programs for the state highway system, development of the annual state highway budget, scheduling of all state highway capital outlay projects, and maintaining liaison with the Federal Highway Administration and local agencies.

Peddy also served as a project director on the Governor's Task Force on Transportation which resulted in the creation of the State Transportation Board and the State Transportation Planning Office.

He and his family reside at 6 Meadowbrook Drive, Davis.

Allenby has served as Program Budget Manager for the Department of Finance for the past two years. His primary duty is to identify major policy and program issues, assist departments in preparation of annual fiscal plans and advise and confer with the director of finance, agency secretaries and the Governor's Office.

As a member of the State Retirement Safety Membership Task Force, he suggested a number of successful program changes.

Allenby and his family reside at 4640 Cedarwood Way, Sacramento.

#

Governor Ronald Reagan announced the following bills have been signed:

- AB 271 - Z'berg
(Chapter 353) Provides unemployment insurance benefits to permanent and probationary state civil service employees who are laid off after March 1, 1971 for reasons of economy, reorganization or reduced work load.
- AB 579 - Cline
(Chapter 362) Appropriates \$1 million from the Veterans Farm and Home Building Fund of 1943 to indemnify Cal-Vet purchasers for damages to their properties in excess of \$250 as a result of the earthquake of February 9, 1971, and its aftermath.
- AB 924 - Knox
(Chapter 354) Provides that when a county proposes to establish an agricultural preserve under the California Land Conservation Act of 1965, notice need only be given to those cities within the county within one mile of the preserve, rather than to any city within one mile of the preserve.
- AB 1444 - Ketchum
(Chapter 355) Increases the salaries of regular and pro tempore court reporters in Kern County.
- AB 1589 - Schabarum
(Chapter 356) Specifies that transportation services rendered as contract carriage and not as common carriage of passengers is not exempt from fuel taxes, rather than present reference to charter-party carriers of passengers. The bill is intended to clarify the definition of "charter party carriers of passengers" for the purposes of the fuel tax exemption.
- AB 1592 - Biddle
(Chapter 357) Provides that where the person who would consent to issuance of a student license to certain students and accept liability for civil damages is a non-resident, or the student is a foster child, then prescribed school officials may certify that the school has filed a specified certificate that an insurance policy or surety bond is in effect to cover such liability so that a student license may be issued.
- AB 2125 - Hayden
(Chapter 358) Provides that when required by local ordinance, a tentative subdivision map shall be submitted for approval as to flood and water drainage control, as well as area and lot design.
- AB 2281 - Monagan
(Chapter 359) Makes several technical changes in the statutes relating to the sale of bonds by water conservation districts, including an increase in the maximum interest rate payable from 6 percent to 7 percent.
- AB 2297 - Warren
(Chapter 360) Makes temporary teaching certificates and permits issued by county boards of education valid for not more than one school year, rather than for not more than 120 days, and only until the credential or permit originally requested is either issued or denied by the State Board of Education. The bill's provision become inoperative on January 1, 1973, or at such earlier date as the Commission for Teacher Preparation and Licensing may determine.
- SB 64 - Lagomarsino
(Chapter 347) Revises the Fish and Game Code to provide regulations for oyster cultivation separate from regulations for shellfish culture which would be termed "mariculture." The bill also established procedures for the leasing of state water bottoms for cultivating marine life (mariculture).

- SB 620 - Gregorio
(Chapter 348) Provides that a board of supervisors may establish by resolution and fund a municipal advisory council for any unincorporated area in the county, the council to advise the board on specified matters relating to the area.
- SB 751 - Bradley
(Chapter 352) Provides for a procedure by which the California Highway Commission may make minor modifications to the adopted location of a freeway within the boundaries of a local agency upon request of the local agency.
- SB 883 - Dills
(Chapter 349) Provides that employees of a bookstore maintained by a community college are classified employees of the school district and eligible for membership in the district retirement system. The bill also provides for entry without the examination into the classified service of a school district of persons who were employed in a community college bookstore maintained by a student body organization immediately preceding becoming an employee of a community college bookstore maintained by a school district.
- SB 1036 - Whetmore
(Chapter 350) Allows a general law city, upon voter approval, to impose a special charge on businesses and residences in an amount not to exceed \$3 annually for a period not to exceed 5 years. The revenues derived from any such charge are to be used for sidewalk installation on the city's select street system.
- SB 1552 - Short
(Chapter 351) Revises the compensation schedule of Sacramento Municipal Court attaches.

Governor Reagan has vetoed the following bill:

- SB 235 - Alquist Increases the number of public members on the Coordinating Council for Higher Education from six to eight. The bill authorizes the governor to appoint four public members, the Senate Rules Committee to appoint two public members and the Speaker of the Assembly to appoint two public members.

REASON FOR VETO: "The Coordinating Council for Higher Education was reconstituted only last year through the enactment of AB 73. Furthermore, the composition and qualifications of the Council are an integral part of California's Master Plan for Higher Education. Two distinguished and capable bodies are now reviewing this plan: The Legislature's Joint Committee on the Master Plan, and a select committee appointed by the Coordinating Council. The recommendation of these bodies should be available and subject to analysis before further substantive changes are considered.

"Accordingly, I am returning the bill unsigned," the governor said.

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-21-71

RELEASE: Immediate

#434

Governor Ronald Reagan today reappointed Willard T. Jordan, a Costa Mesa architect, to a four-year term on the Scenic Highway Advisory Committee.

Jordan, who lives at 2269 Santa Ana, Costa Mesa, has served on the committee since 1970. He is a Republican.

Committee members are paid necessary expenses.

#

WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-21-71

RELEASE: Immediate

#435

Governor Ronald Reagan has signed what he calls "the most advanced legislation in the area of tenure ever considered in California."

The legislation (AB 293) by Assemblyman John Stull (R-Encinitas) will help insure that "California elementary and secondary school children will be taught by competent and responsible instructors and at the same time provides increased job protection for qualified teachers," the governor said.

The new law establishes a hearing procedure through which dismissed instructors will be heard by a Commission on Professional Competence. It neither abolishes tenure nor changes basic regulations governing dismissal of teachers. Hearings will be conducted by an officer from the state Office of Administrative Procedure before the three-member commission.

The legislation also directs school districts to develop guidelines for evaluating the competence and performance of teachers and requires twice-a-year written evaluations on teachers which must be presented to them.

Under the law, if a teacher's performance is unsatisfactory his employer must confer with him, make recommendations for improvement and provide assistance in achieving standards of professional competence.

"Assemblyman Stull's bill answers demands from school boards, parents and from educators themselves and has gained support of the major teacher organization. It will make it possible to weed out incompetents from our educational system and, at the same time, protect and encourage dedicated educators," the governor said. "Those with the most to gain are our school children," he added.

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-21-71

RELEASE: Immediate

#436

Governor Ronald Reagan today signed AB 1195 authored by
Assemblyman Vincent Thomas (D - San Pedro).

Upon signing the bill, the governor said, "I am aware there is
controversy over AB 1195 which has just reached my desk. It seems to me
this controversy should properly be resolved by the people of Los Angeles
County and their county representatives. The Los Angeles Board of
Supervisors voted 4 to 1 against requesting a veto of this measure and
the chairman of the board, Warren Dorn, personally requested that I
sign it as a matter properly coming within the jurisdiction of county
government. Apparently both houses of the state legislature shared
this view as indicated by their unanimous vote to permit county
disposition of the problem.

"I am therefore signing this bill which gives permission to
Los Angeles County to resolve this matter itself."

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-22-71

RELEASE: Immediate

#437

Governor Ronald Reagan today issued the following
statement:

"I am extremely pleased and gratified that Senate
Republicans were able to prevent SB 796 from being passed
off last night under the guise of welfare reform. It was
a sham before amending. It now is a shell.

"There is nothing they can do now to prevent the
new revised bill, held together only by a handful of
points from the Burgener bill, from passing on to the
Assembly.

"I am confident that more of the Burgener provisions
will be adopted by the Assembly---hopefully even enough
to make the bill true reform."

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-22-71

RELEASE: Immediate

#438

Governor Ronald Reagan has ordered the flag to be flown at half-staff over the state capitol in tribute to Leo G. Davis, a correctional officer at San Quentin prison, who was murdered Wednesday.

Services for Mr. Davis, a veteran of five years service with the Department of Corrections, will be held at 1 p.m. tomorrow at the Civic Center Chapel in Richmond. Davis is survived by his wife and four children.

The governor, on May 10, announced that the flag at the capitol will be flown at half-staff as a gesture of respect whenever a California peace officer is killed in line of duty.

#

EJG

Governor Ronald Reagan today hailed Assembly passage of his Medi-Cal Reform Program as "a truly hopeful sign that other critical issues now facing the state--including the urgent need for realistic welfare reform--also can be resolved in a constructive spirit of compromise.

"While it is not all that I asked for in my reform package four months ago, this Medi-Cal reform bill goes a long way toward answering the need for fiscal responsibility and stability in California's health program," he said.

The governor reserved special praise for "Assemblyman Bill Campbell's (R-Hacienda Heights) skillful and effective efforts to work out major differences between legislators of both parties in the Assembly so that the program accomplishes the principal goals set forth in the administration's original reform package---at a savings to the taxpayers of \$130 million this year."

Campbell, in turn, lauded Governor Reagan for "the leadership he has provided in the important area of Medi-Cal reform and the governor's willingness to reach a realistic agreement in order to get the legislation moving." Campbell said, "The close cooperation I have received from the governor--at every step of the way--belies completely the allegations of some that the governor is unwilling to make reasonable compromises."

Governor Reagan also commended State Health Care Services Director Dr. Earl Brian for his "invaluable assistance and counsel during the course of the many discussions which have led to today's overwhelmingly successful Assembly vote.

"I am very pleased," the governor said, "at the progress already made on Medi-Cal reform. I sincerely hope that the spirit of cooperation and reasonableness which has been displayed thus far on this issue is contagious so that we can soon get on with solving an even bigger administrative nightmare---welfare itself," he added.

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-22-71

RELEASE: Immediate

#440

Governor Ronald Reagan said today that he has "accepted with regret" the resignation of Anthony R. Pierno as Commissioner of Corporations.

Pierno, 39, who has served in the post since 1969, has announced that he will resign effective August 1 to accept a position in the private sector.

An attorney specializing in corporate law, Pierno joined the administration in 1967 as Chief Deputy Corporations Commissioner.

He was instrumental in the enactment of the Corporate Securities Law of 1968 and its implementation. He played a leading role in the preparation and implementation of the Franchise Investment Law--the first in the nation to regulate the sale of franchises--and in reforms that provide protection for investors in industrial thrift and loan companies.

In announcing Pierno's resignation, Governor Reagan said, "All Californians owe a debt of gratitude to Tony Pierno for his dedicated service to them and his efficient reorganization of the department he headed. Small investors are particularly in his debt for the reforms he helped to initiate that protect their savings."

Pierno, his wife Beverly, and their four children live at 1263 Oakcrest Avenue, Brea.

#

WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-22-71

RELEASE: Immediate

#441

Governor Ronald Reagan today announced the appointments of Mrs. Virginia S. Ellis, an Atherton housewife and civic leader, and Dr. Orrin S. Cook, a Sacramento plastic surgeon, to the State Board of Public Health.

Mrs. Ellis will fill the unexpired term of Kathleen E. Crow of San Marino which ends in January, 1973.

Active in the American Cancer Society, the Heart Fund and the Girl Scouts, Mrs. Ellis will represent the public on the board. She and her husband, Roger, have three children. The family home is at 92 Mandarin Way, Atherton.

Dr. Cook will fill the unexpired term of Dr. William McColl of West Covina, which ends in January, 1974.

Active in numerous civic, service and professional organizations, Dr. Cook is a past president of the Sacramento Branch of the American Cancer Society and is active in the California Society of Plastic Surgery, the American Society of Plastic and Reconstructive Surgery, the Sacramento Metropolitan Chamber of Commerce, the Sacramento County and California Medical Associations and is an Associate Clinical Professor of Surgery at the UC-Davis School of Medicine.

He and his wife, Shirley, have three children. The family home is at 440 Hopkins Road, Sacramento.

Both appointees are Republicans.

Members of the board are paid travel expenses.

#

WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-23-71

RELEASE: Immediate

#442

Governor Ronald Reagan today appointed Frank J. Walton, Los Angeles business and civic leader, as Secretary of the Business and Transportation Agency.

Walton, whose appointment is subject to Senate confirmation, will succeed James M. Hall, who resigned in December of 1970 to become Governor Reagan's Secretary of Human Relations. He will receive an annual salary of \$35,000.

Walton, 51, a Republican, is the owner and president of AIRKEM, a Los Angeles firm which makes ecological and environmental control products for industrial plants and institutions.

He is a founding director of the Commerce City Bank and has served as chairman of the Los Angeles Civil Service Commission, as chairman of the City of Arcadia's Personnel Commission, and as a director of the Steel Service Center Institute.

Walton is also a founding director of the Industrial Council of the City of Commerce and is active in other civic and service groups.

He is a graduate of the Eton College of Finance in Baltimore, Maryland and has completed post-graduate studies at Northwestern University in Illinois.

Walton and his wife Helen have five children. The family home is at 141 West Longden Avenue, Arcadia.

Since Hall resigned to assume his new duties, Assistant Secretary Brian Van Camp has administered the Business and Transportation Agency.

#

WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-23-71

RELEASE: SATURDAY A.Ms.
July 24, 1971

#443

Governor Ronald Reagan today said some Democrat members of Congress have "a curious double standard" on government economic activity which is aggravating California's aerospace unemployment and threatening America's technical leadership.

In remarks prepared for delivery before a Republican fundraising dinner in San Diego, the governor said, "This nation once had a slogan, 'millions for defense, not one cent for tribute,' today it is billions for welfare and take them from defense.

"The only time you can get a quorum in the Senate these days is when the Democrats fly back to Washington to vote against an aerospace appropriation.

"It's hard to understand how someone can cry bitter tears for the unemployed and then vote to downgrade an industry that has achieved the greatest scientific and engineering feats in all of man's history---the industry that allowed an American to be the first man to walk on the moon.

"Most of our opponents," the governor said, "are against the anti-ballistic missile defense program. They're against helping the nation's largest defense contractor through a difficult economic period, even though their attitude means more aerospace unemployment. They scuttled the SST plane program.

"They are willing to see America become second best and they don't even want us to try harder. How easily they repudiate the words of one of their own young leaders who, only a decade ago, challenged America to maintain its leadership in the newest frontiers of science and technology.

Governor Reagan noted that "in the same week that Senator Cranston voted to scuttle the SST---sentencing thousands of workers to the unemployment lines---he proposed a special government loan program---to lend jobless aerospace workers their monthly mortgage payments while they are out of work."

He said opponents of the defense and space programs should consider "how crucial this technical leadership has been to our country. Eighty-five percent of the commercial planes in the world's skies are American-made.

"This productive capacity has helped our balance of payments, provided employment for hundreds of thousands of our most skilled technical talent and provided America with the modern defense it must have to protect our nation's security.

"But somehow, this seems inconsequential to some of our most vocal opponents in Congress. If they had had to vote on that first flight at Kitty Hawk, the Wright brothers would never have gotten out of the bicycle business.

"If our opponents' attitude didn't mean more unemployment in aerospace, their double-standard would be amusing for its inconsistency. But it isn't amusing to Americans concerned with keeping this country free and prosperous. And it is tragic for those whose jobs are sacrificed because of this short-sighted attitude."

The governor praised the work of Lieutenant Governor Ed Reinecke's California Space Shuttle Task Force and noted that California already has been guaranteed "a prominent role in the \$10 to \$12 billion program designed to create an American capacity for man to travel into space and return with reusable rocket engines and space vehicles.

He said the selection of the Rocketdyne division of North American Rockwell Corporation as the probable recipient of a \$500 million contract to build engines for the space shuttle program would mean about 2,000 direct aerospace jobs in Southern California and even more indirect employment because about half of the subcontracting work also would be done in this state.

"America must have a strong space program and California's aerospace industry can help assure that America will lead man's exploration of this newest frontier," the governor said. "We can't afford little men with little dreams who would trade supremacy in sky and space for a subway."

#

EJG

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-23-71

MEMO TO THE PRESS

Effective Tuesday, July 27, the governor's
press secretary will begin conducting press
briefings. They will be held daily--unless
otherwise noted--at 10 a.m. in the Press Lounge
on the first floor of the Capitol. The briefings
will continue for the next few weeks.

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-23-71

MEMO TO THE PRESS

The governor's schedule for the week of
July 26-30 consists of office appointments in
Sacramento.

#

PB

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-26-71

MEMO TO THE PRESS

Just a reminder that the governor's press secretary will
conduct a briefing for the press at 10 a.m. Tuesday in the press
lounge on the first floor of the Capitol.

#

PB

Governor Ronald Reagan today announced the following bills have been signed:

- AB 289 - Fenton (Chapter 375) Permits a buyer to cancel door-to-door sales contracts for consumer goods or services within three days of the contract date or until seller complies with a requirement that the buyer be advised of his rights to cancel the contract. The bill does not apply to sales where the goods are affixed to real property or to contracts covered by federal law. The seller is entitled to the return of the goods involved in the sale where the buyer cancels the contract. Emergency repair services are also excluded from the provisions of the act.
- AB 291 - Ralph (Chapter 376) Requires a prime contractor on public work or improvement contracts to list persons who will specially fabricate a portion of the work or improvement, in an amount in excess of one-half of the one percent of the prime contractors total bid, off the jobsite, in addition to subcontractors currently required to be listed.
- AB 315 - Townsend (Chapter 377) Provides that a recognizable dead human fetus of less than 20 weeks uterogestation, not disposed of by interment, shall be disposed of by incineration. It also provides that recognizable anatomical parts, human tissues or anatomical human remains, following conclusion of scientific use, shall be disposed of by interment or incineration. The bill makes it a misdemeanor to dispose of fetal remains in a public or private dump, refuse or disposal site.
- AB 497 - Vasconcellos (Chapter 363) Provides that under specified conditions, an applicant for a driver's license participating in an approved methadone maintenance treatment program may be issued a driver's license and that such participation shall not be grounds for revoking or suspending his license.
- AB 1723 - Cullen (Chapter 364) Allows a local election board to provide that at local elections, in precincts of fewer than 500 registered voters where ballots are to be counted by means of an electronic or electromechanical device of a punch card voting system, the precinct board may consist of one inspector and two judges.
- AB 1874 - Hayden (Chapter 365) Provides that a recall petition for a city councilman elected by district need be signed by 25 percent of the voters of his district rather than 25 percent of the voters of the city. The bill conforms the Elections Code to existing Government Code provisions relating to eligibility to sign recall petitions.
- AB 1877 - Hayden (Chapter 366) Suspends the right of a city council to determine contested elections of city officers during the period of time in which an elector who previously filed a written statement to contest the election was entitled to file that statement. The bill permits a city council to determine the contest upon the expiration of the suspension period if either no proceedings have been instituted as a result of an elector's filing of a statement of consent or such proceedings are terminated without a judgement being rendered by the court. The bill eliminates a conflict between provisions of the Government Code and the Elections Code.

AB 2246 - Russell Revises the format requirements for sample ballots.
(Chapter 367)

SB 267 - Nejedly Provides that the salary of a full-time certificated employee of a school district shall be pro rated over a 12-month period for the purposes of determining eligibility for aid to families with dependent children. The bill was introduced to prevent teachers from qualifying for welfare during the summer months.
(Chapter 369)

SB 551 - Cologne Makes it unlawful for any person to compute at the time of sale of a commodity a value which is not a true extension of a price per unit which at that time is advertised, posted or quoted; to fail to deliver for test devices ordinarily tested at central locations under designated circumstances; or to alter by adding to tare weight of a vehicle under designated circumstances.
(Chapter 370)

SB 552 - Cologne Revises the amounts of certain approved expenditures for recreation land acquisition, and certain approved joint cost allocations for recreation and fish and wildlife enhancement associated with state water projects, made by the Department of Water Resources.
(Chapter 371)

SB 652 - Way Exempts milk and milk products processed in California for sale outside of the state from the labeling requirements of the Agricultural Code. The bill does not exempt such products from standards of composition and wholesomeness.
(Chapter 372)

SB 653 - Way Defines county responsibility for making aid payments for a patient in a voluntary, nonprofit, or proprietary facility or other public or private institution, as the county from which such patient was admitted.
(Chapter 378)

SB 750 - Burgener Authorizes a community college district to enter into an option to purchase, or lease with an option to purchase a proposed building site. The bill provides that the existence of such an agreement shall not affect the determination of the state's share of the cost of the project under the Community College Construction Act of 1967.
(Chapter 373)

SB 1547 - Short Amends the Barber Law with respect to the length of the course in barber college, the curriculum therein and length of the apprenticeship period.
(Chapter 374)

#

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-27-71

RELEASE: Immediate
#445

Governor Ronald Reagan today appointed Deputy Public Defender
Claude D. Perasso to the San Francisco City and County Municipal Court.

Perasso, 45, a Democrat, will receive an annual salary of
\$30,724. He succeeds Judge Frank Shaw who has been elevated to the
San Francisco City and County Superior Court.

A member of the Public Defender's staff since 1956, Perasso is
Head Trial Attorney.

He is a native of San Francisco, attended local elementary and
high schools and earned his law degree from the University of San
Francisco.

Perasso is active in the U. S. F. Law Society, the American
Bar Association, State Bar of California, San Francisco Bar Association,
the Public Defender and Legal Aid Association of California, and is a
past president of the Italian Federation of California, Columbus Civic
Club and is an officer of the Italian Welfare Agency of San Francisco.

He and his wife, Donna, have three children. The family lives
in San Francisco.

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WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-27-71

RELEASE: Immediate

#446

Governor Ronald Reagan today sent the following letter to the Honorable Warren G. Magnuson, Chairman of the Subcommittee on Labor and Health, Education and Welfare, Committee on Appropriations, United States Senate, with copies to Senators Tunney and Cranston, plus Representatives Roybal, McFall, Talcott and Del Clawson:

"It has been brought to my attention that the Senate Appropriation Subcommittee in its hearings on the Health, Education and Welfare Appropriation, is considering a proposal to enact a new Section 208 which would place a 110 percent ceiling on federal matching funds for the costs of administration, services and staff training.

"On behalf of California, I wish to register our most strenuous objections to this proposal. Rising welfare costs are already threatening this state and other states with bankruptcy. Existing federal regulations prevent the reduction in scope, coverage, and quality of social service programs that would be necessary if such a limitation were placed upon federal participation in the funding of these programs.

"The total cost to state and local government in California could well amount to \$100 million the first full year. No rational person questions the need for economies in welfare spending, but it makes no sense to seek federal savings at the expense of the states. This is simply a proposal to artificially limit federal reimbursement via a "back door" constraint in the President's budget, which would bypass fiscal provisions in the law, and would give states no lead time and no avenues for adjusting their programs accordingly.

"A proposal to place a 115 percent limit on federal matching for these costs was killed on the floor of the Senate last year when it was made clear that even that more generous ceiling would wreak fiscal disaster upon state and local governments. California was joined in opposition to the proposal by the Council of State Public Welfare Administrators, the Association of Public Welfare Administrators, The national Association of Counties, the National Governors' Conference, the League of Cities, and other state governments. The fiscal situation in welfare is worse now than it was at that time, and the present proposal is clearly and totally unacceptable.

"The answer to the runaway costs of welfare lies in genuine reform of the welfare system. California is currently attempting to overhaul its own laws and regulations to bring about reform at the state level. It is my belief that the federal government could accomplish more by supporting reform efforts of this kind than by placing additional financial burdens upon the states while not changing the federal laws and regulations that have created the problem in the first place."

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OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-27-71

RELEASE: Immediate

#447

Governor Ronald Reagan today announced the appointment of Captain William W. Meyer of Oakland and reappointment of Captain Alfred H. Stephens of Alamo to four-year-terms on the Pilotage Rate Committee for San Francisco, San Pablo and Suisun Bays.

Captain Meyer, a Master for Isthmian Lines, succeeds Captain Eugene N. Babb of San Francisco, whose term has expired. He will represent bar pilots on the committee. His home is at 2615 Carisbrook Drive, Oakland.

Captain Stevens, port operations officer for Chevron Shipping Company, San Francisco, has served on the committee since 1967, representing tankers. He lives at 129 Angela Avenue, Alamo.

Both men are Republicans.

Committee members receive no compensation.

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WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7--27--71

RELEASE: Immediate

#448

Governor Ronald Reagan today named two new members and reappointed four members to the District Forest Practice Committee, South Sierra Pine Forest District.

The new members, who will represent the public on the committee, are David Rodriguez of 511 Vine Way, Roseville, a youth staff assistant for the University of California's Agricultural Extension Service, and Willis L. Kimbel of 939 West Bonnie Brae, Ontario, a commercial and industrial sales representative of Southern California Edison Company. Both are Republicans.

Reappointed were George H. Volz of 1000 Fruitridge Road, Placerville, president of the Placerville Fruit Growers Association; Cecil L. Wetsel of Omo Ranch, chairman of the board of Wetsel-Oviatt Lumbering Company; William H. Kuphaldt, whose address is Box 836, Murphy; chief forester of the Amador-Calaveras Division, American Forest Products Corp., and Byron W. Bacchi, a private timber owner, Lotus.

Volz, who represents farmer-timber owners, has served on the committee since 1945. Wetsel, representative of private timber-owner-operators, has served from 1953. Kuphaldt, who represents private timber owner-operators, and Bacchi, representative of private timber owners, have both served since 1967.

Wetsel is not affiliated with a political party. The others are Republicans.

Committee members serve four-year-terms and receive necessary expenses.

WAS

Governor Ronald Reagan today issued the following statement:

"When it became apparent that California faced prolonged labor disputes, particularly those involving the longshoremen and railroad workers, I appointed an Emergency Economic Committee to determine the impact upon the lives of thousands of Californians.

"This committee headed by Earl Coke, Secretary for Agriculture and Services, included the Office of Emergency Services and representatives of other state agencies concerned with the economy as well as public health and safety.

"Today, I received a telegram from Transportation Secretary, John Volpe asking for an assessment of the effects of the rail strike on California.

"I am responding to Secretary Volpe by reporting that the rail strike is endangering the physical as well as the economic health of this state.

"Investigations by our Emergency Economic Committee show that California's major industry---agriculture---is suffering losses of more than \$11 million daily.

"Our major crops are imperiled and the jobs of thousands who depend upon agriculture are endangered.

Shortages of raw materials may force many of our principal industries to close at a time when numbers of our citizens are unemployed.

In several Southern California cities, the railroad strike has resulted in a serious shortage of chlorine and other chemicals used in the treatment of water supplies and waste disposal.

This can have a critical effect on the health of many of our citizens in addition to creating pollution problems at a time when we are making every effort to keep our environment clean.

"I am supplying Secretary Volpe with the information compiled by our committee. And I pledge my full support to him and to President Nixon in their efforts to find an immediate and equitable solution to these labor disputes.

"At the same time, I urge both management and labor to move quickly, honorably and responsibly to solve their differences."

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-28-71

RELEASE: Immediate

#450

Governor Ronald Reagan praised the Fish and Game Wardens' Association for its recent pledge not to participate in a strike or work slowdown.

In a letter to Association President Wallace J. Callan the governor said:

"I was gratified and very pleased to learn from Resources Secretary Livermore of the no-strike pledge which the board of directors of the Fish and Game Wardens' Protective Association adopted recently.

"The association deserves the highest commendation for having taken this action to reaffirm the continuing commitment of the law enforcement personnel of the Department of Fish and Game to protect California's priceless fish and wildlife resources.

"The deep sense of duty and responsibility which prompted your decision is fully in keeping with the high standards of professionalism and service to which Fish and Game employees have always adhered.

"Putting the interests of the public first---in the face of a temporary financial setback---is a hallmark of the enviable and exemplary tradition you and your fellow wardens have established over the years. Little wonder, then, that you have gained the abiding trust and respect of your fellow citizens.

"Again, I want to extend sincere congratulations and best wishes to you and the members of your association for having followed this responsible course of action."

#

EJG

Governor Ronald Reagan today sent the following telegram to
The Honorable John A. Volpe, Secretary of Transportation, U. S.
Department of Transportation:

"As per your telegram of July 27, 1971, I am presenting the
impact on the State of California resulting from the present
and impending rail strike.

"AGRICULTURE

"Present estimates are that these work stoppages will result in a loss of approximately \$11.1 million each day it continues to growers, farm labor and related industries. The following are the daily projected losses to a portion of California's agricultural communities.

<u>"Commodity</u>	<u>Daily Rail Car Shipments</u>	<u>Dollar Loss</u>
Cantaloupes	125	\$ 595,000
Pears	100	450,000
Grapes	45	393,750
Lettuce	100	250,000
Lemons	40	245,000
Tomatoes	40	200,000
Plums	30	198,450
Oranges	55	178,750
Honeydew melons	35	75,000
Nectarines	12	72,000
Potatoes	60	60,000
Grapefruit	15	40,000
Celery	15	31,500
TOTAL RAIL CARLOADS		672
COMMODITY LOSS		\$2,789,450
LOSS TO RELATED AND DEPENDENT INDUSTRIES		<u>8,368,350</u>
TOTAL LOSS		\$11,157,800

"In addition due to the lack of transportation, many of our growers with crops ready for harvest are plowing under their present crops which will be a total loss in the hopes that a crop planted now can be harvested and marketed at a later date.

"LIVESTOCK AND POULTRY

"Grain and feed--potentially critical situation in feed grains; 4 to 6 days inventory at mills; lack of bailing wire critical; there is no alternative supply.

"SUGAR

"California sugar beet now at harvest point. Without transportation to refineries, sugar content loss will be enormous. Estimated daily loss of \$2 million.

"CANNERS AND GROWERS ASSOCIATION

"Reports approximately 50 percent of their plants now closed as 80 percent of business is done by rail. Condition will become more extreme each day.

"EGG AND POULTRY ASSOCIATION"

"Ninety percent of grain used for poultry feeding is moved by rail. Estimate is 250,000 carloads per year; reserve supply is limited to 2-3 days. Approximately 90 percent of the total poultry, eggs and turkeys are produced in the 11 western states; 52 percent of the feed grain is produced in California, Washington Oregon and Utah. The Association reports that unless a means of transportation can be found, the loss of livestock, particularly poultry, will be disastrous.

"The economic impact resulting from approximately 75 percent of California's agriculture being affected by this rail strike is that it poses a very grave problem not only through the loss in daily dollars but the fact that it will have such a chaotic effect that many of our growers will be unstable for years to come. Many small growers cannot even survive a few days loss of market.

"PASSENGER RAIL TRAFFIC"

"A continual rail strike will pose grave problems in the San Francisco-Oakland Bay area. Southern Pacific carries in excess of 12,000 commuters a day and the loss of this service will have a heavy impact on that area of the state. It is believed that long-haul passenger service can be absorbed by other modes of transportation.

"AUTOMOTIVE INDUSTRY"

"Plants will close when present inventories are exhausted. Lack of foreign imports are presently causing layoff of employees.

"CONSTRUCTION INDUSTRY"

"Can truck intrastate. Most interstate shipments are by rail. Will drastically curtail ability if rail strike continues.

"CHEMICAL INDUSTRY"

"Not yet adversely affected.

"OIL AND GAS"

"Move negligible by rail.

"NEWS PRINT"

"Condition of availability already critical.

"UNEMPLOYMENT"

"Direct effects of the strike on unemployed are heavy. It is estimated that this week direct and indirect effects will add close to 100,000 to the rolls. This number will increase daily as industry is more and more affected by the strike.

"MANUFACTURING PROCESS"

"Economic demand in this field requires minimum inventories on the part of manufacturing industry. Rapid resupply necessary and will be directly affected by the loss of rail transportation.

"POTENTIAL HEALTH PROBLEM"

"Chlorine supply for water treatment and sewage treatment plants is becoming a problem in Southern California. Santa Fe Railway provides major portion of transportation and due to limited available local storage, problem will become critical shortly after this carrier is shut down. State is attempting at this point to find alternate means of transportation.

"The continuation of the rail strike even at its present level will have a devastating effect on California's economy and will pose untold hardships on a great portion of California's population

"The real impact of this has not yet been felt. There will be an accumulative effect on the present strike and if Santa Fe strike this weekend this closes down all of the effective rail transportation for California and much of the west."

Governor Ronald Reagan today announced the following bills have been signed:

- AB 314 - Townsend (Chapter 382) Requires that asbestos-containing materials used in air duct systems in buildings after the effective date of the bill be overcoated with a sealant adequate to preclude erosion of asbestos fibers.
- AB 611 - Lanterman (Chapter 383) Appropriates \$29,708 from the Motor Vehicle Transportation Tax Fund for transfer to the State School Fund for severance aid allowances to school districts during the 1970-71 fiscal year. This bill implements 1970 legislation which authorized severance aid allowances to school districts for property acquired for state highway purposes.
- AB 707 - Cory (Chapter 384) Allows the Superintendent of Public Instruction to designate a representative from the Department of Education to be on the Curriculum Commission and serve as its chairman.
- AB 816 - Knox (Chapter 385) Authorizes sanitary district boards to increase membership from five to seven within two years after a sanitary district consolidates with or annexes territory of a district with substantially identical powers.
- AB 1100 - MacDonald (Chapter 386) Authorizes the Ventura County Flood Control District to make ordinances relating to specified flood control, increases the limit above which bid contract must be let for materials and supplies, and provides that the district may purchase equipment and other personal property as well as materials and supplies subject to this new limit.
- AB 1697 - MacGillivray (Chapter 381) Repeals provisions regarding transportation of abalone meat out of the state. It eliminates provision prohibiting the taking of black abalone for canning or drying purposes. The bill also includes San Clemente Island within other specified islands where abalones may be taken for commercial purposes in less than 20 feet of water.
- AB 1647 - Stacey (Chapter 380) Expressly authorizes local authorities to delegate to the road commissioner or comparable officer in the county or municipality any or all powers granted local authorities in prescribed Vehicle Code provision relating to vehicle permits and agreements.
- AB 1332 - Barnes (Chapter 379) Provides that a local public agency must request quotation of contribution required for change in retirement benefits from the public Employees' Retirement System if requested to do so by a recognized employee organization of its employees and the employee organization pays agency cost for this quotation.
- AB 1840 - Cory (Chapter 387) Provides that the board of supervisors of one or more counties may loan up to \$50,000 to a transit district located wholly or partially within such county or counties for transit planning and development during the year following voter approval of the district's organization.
- AB 1883 - Wood (Chapter 388) Authorizes the Monterey County Flood Control and Water Conservation District to construct and operate recreational facilities and to license docks or other structures on its reservoirs or property.

AB 2115 - Cory
(Chapter 389)

Provides for terms of the board of directors of the Orange County Transit District. It empowers the board to appoint its own clerk and grants specified per diem compensation to board members. The bill also provides that taxes levied to meet bonded indebtedness and interest of the district shall not be included in five-cent maximum levy per \$100 assessed valuation. The bill further provides that formation of the Orange County Transit District shall be effective for assessment and taxation purposes for the 1971-72 fiscal year if certain conditions are met.

AB 2290 - Burton
(Chapter 390)

Exempts the Legislative Counsel and his employees from the Government Code provision requiring approval of the governor and the director of Finance for travel outside the state.

Governor Reagan has vetoed the following bill:

AB 440 - Cory

Provides that vacancies on boards of supervisors may be filled by election if they occur more than one year prior to the next general election, rather than by appointment by the governor. The bill provides that the governor shall fill the vacancy if the board does not call an election within 60 days.

REASON FOR VETO:

"The bill does not apply to any county where the charter provides for a different method of filling vacancies on the board of supervisors. AB 440 unnecessarily complicates the process for filling vacancies on boards of supervisors. There has been no showing that the present method of filling such vacancies has been other than acceptable to the counties of this state.

"Accordingly, I am returning the bill unsigned," the governor said.

#

A plan to test the effectiveness of private employment agencies in finding jobs for welfare recipients begins Monday, August 2, 1971, Governor Ronald Reagan announced today.

The purpose of the test project, Governor Reagan said, is to explore the resources outside of government to cut the staggering cost of welfare.

"For a number of years we have made a concerted effort to help the poor find permanent jobs through government financed programs, but there has been almost no effort--certainly no carefully planned effort--to use the private sector's profit incentive to solve this problem," the governor said.

The test project will be paid for by research funds provided by the Federal Office of Economic Opportunity, ^{Governor} Reagan said. The money will be used to pay the fees of 86 participating agencies in four counties: Los Angeles, Orange, San Diego and San Francisco.

"No state funds are involved and no fees will be paid by job-seekers or employers," Governor Reagan added. "Cost of the project will not exceed \$300,000."

"There are two objectives: to see if private employment agencies can find jobs for welfare recipients and to measure their capability against government manpower services on a cost-effectiveness basis."

The governor said the project will involve 2,400 employable welfare recipients; 1,200 will be referred to private employment agencies and 1,200 will be referred to local offices of the State Department of Human Resources Development (HRD).

"The private agencies will be measured against the HRD offices in terms of jobs found, level of wages, placement in training, or career-development programs and the amount of welfare dollars saved," the governor said.

"If the project shows that private employment agencies can be an effective method of finding jobs for welfare recipients, then I believe we ought to use this additional resource in our total effort to solve this part of the welfare problem," he added.

The project administrator will be Peter C. Rank, executive secretary of HRD's Job Training, Development and Placement Services Advisory Board.

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-30-71

MEMO TO THE PRESS

The governor's schedule for next week remains flexible---no
specific appointments scheduled.

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PB

Governor Ronald Reagan today announced the following bills have been signed:

- AB 168 - Barnes
(Chapter 407) Defines and standardizes retirement terms used in the Teachers' Retirement Law regarding credited and charged interest, return on the investment portfolio and tax-sheltered annuities and/or contributions.
- AB 691 - Briggs
(Chapter 409) Amends the Insurance Code to provide that, with reference to insurance required in connection with sales of real property or loans secured by real property, the lender's disapproval of the insurer selected by the purchaser or borrower must be based upon reasonable cause. The bill requires the Superintendent of Banks, the Savings and Loan Commissioner in conjunction with the Insurance Commissioner to jointly promulgate and issue regulations defining "reasonable cause".
- AB 820 - Porter
(Chapter 408) Increases the per diem of members of the Reclamation Board from \$20 to \$25 for each day attending meetings of the board, not to exceed \$2,000 in any one year. The present per diem amount has not changed since the Board's formation in 1913.
- AB 821 - Porter
(Chapter 410) Requires compliance by all public agencies, including the State, with floodplain regulations established pursuant to the Cobey-Alquist Floodplain Management Act.
- AB 983 - Arnett
(Chapter 411) Eliminates the first-time violation limitation on the authority of the Insurance Commissioner to elect to impose an alternative monetary penalty assessable against insurance licensees for violations of the Insurance Code. The bill also increases the maximum penalty assessable under such penalty procedure.
- AB 1334 - Meade
(Chapter 412) Directs that special bond elections under the Municipal Utility District Act held in even-numbered years shall be consolidated with the direct primary or general election, and that such elections held in odd-numbered years shall be held on first Tuesday after first Monday in November either separate from or consolidated with any other election.
- AB 1929 - Powers
(Chapter 413) Revises the district boundaries and the procedures for nomination and election of trustees of the American River Flood Control District.
- AB 2317 - Barnes
(Chapter 414) Authorizes the Board of Administration of the Public Employees' Retirement System to fix the period of and minimum payments for members electing to redeposit contributions and provides for the computation of interest on such redeposit on the basis of the annual interest rate in effect on the date of election.
- AB 2323 - Fenton
(Chapter 415) Enacts the California Crime Insurance Act of 1971. The bill requires all insurance carriers writing crime insurance in multiperil insurance policies to participate in the Crime Insurance Pool established by the California FAIR Plan Association for equitable apportionment among such insurers of crime insurance for persons who, after diligent effort, are unable to procure such insurance from an admitted insurer or licensed surplus line broker.

- SB 348 - Nejedly
(Chapter 391) Authorizes the Director of Agriculture by regulation, to revise the time deadlines for fertilizer registrants to file reports of sales with the Director of Agriculture. The bill also clarifies the law to provide that the last registrant of a fertilizer handled by more than one registrant is the person who pays the tonnage tax and files the report of the amount sold.
- SB 431 - Petris
(Chapter 392) Provides that the application form for assessment change at local equalization hearings must provide notice that the applicant must request written finding of fact or waive the right to such request. The bill also deletes the requirement that a record of all proceedings be made.
- SB 476 - Grunsky
(Chapter 393) Requires an applicant for adjudication of a claim arising under the workmen's compensation laws to file a declaration that he is ready to proceed in order to obtain a hearing within 10 to 30 days after such filing.
- SB 575 - Stiern
(Chapter 394) Authorizes the Director of Agriculture to adopt regulations pertaining to temperature requirements for market milk delivered to consumers.
- SB 814 - Coombs
(Chapter 395) Repeals various obsolete provisions of the Barber Law relating to qualification for licenses.
- SB 884 - Dills
(Chapter 396) Permits the Public Utilities Commission to assess interest on fines it imposes on carriers, in lieu of suspension, revocation, alteration or amendment of any such carrier's operating right or certificate, when such fines become delinquent.
- SB 941 - Cusanovich
(Chapter 397) Provides that the minimum school day for special class for pretuberculosis, tuberculosis, convalescent, or other physically handicapped minors held in specified institutions shall be 180 minutes.
- SB 964 - Coombs
(Chapter 398) Amends the Contractors License Law by providing for additional circumstances under which an application for an original license as a contractor or an application for a license in an additional classification or to replace a responsible managing operator or responsible managing employee becomes void.
- SB 987 - Deukmejian
(Chapter 399) Revises the staffing and salaries of attaches of the Los Angeles Municipal Court.
- SB 1027 - Carpenter
(Chapter 400) Authorizes state chartered credit unions to obtain insurance of members' share accounts pursuant to the Federal Credit Union Act.
- SB 1067 - Nejedly
(Chapter 401) Provides that county boards of supervisors shall provide for and may contract for services for the proper care and upkeep of county buildings and grounds.
- SB 1231 - Bradley
(Chapter 402) Requires every insurer admitted in this state to transact life or disability insurance, or both, to maintain specified records of all life or disability insurance transacted.
- SB 1232 - Bradley
(Chapter 403) Authorizes Insurance Commissioner, in specified proceeding under the Insurance Code, to permit a holder of a certificate of authority to elect in writing to pay an alternative monetary penalty in lieu of suspension of its certificate of authority. The bill limits the penalty to \$10,000.
- SB 1234 - Bradley
(Chapter 404) Amends the Dry Cleaners Licensing Law to permit a licensee to deposit cash or file a bearer bond issued by the United States or the State of California in lieu of the surety bond presently required.

SB 1476 - Rodda
(Chapter 405)

Permits municipal utility district to purchase or acquire insurance against loss or damage, including loss of electrical power generating capacity, in connection with the construction or operation of plants and facilities for generation of electrical power by nuclear energy.

SB 1556 - Alquist
(Chapter 406)

Provides that ordinances of a sanitary district may be enacted in the same manner as general regulations of the board. The bill also authorizes any sanitary district to correct any violation of district ordinances and to add costs of such correction to sewer service charges.

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OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-30-71

RELEASE: Immediate

#455

Governor Ronald Reagan announced today that the Department of Public Works will issue permits allowing trucks on state highways to move vital cargo during the current labor disputes.

He said Frank J. Walton, Secretary of Business and Transportation, has issued instructions that overweight loads will be permitted on material classified as vital by the Governor's Emergency Economic Committee.

Included on the list are chemicals for water and sewage treatment plants, medical, dental and surgical supplies and equipment, feed for animals and fowls and perishable and semi-perishable food items.

Weights for these commodities will not exceed 10 percent of the legal limits specified by state law, the governor said.

Permits will be issued beginning Monday morning at 44 Division of Highways facilities throughout the state.

The governor pointed out that the permits will be valid only during this crisis period.

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WAS

OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-30-71

RELEASE: Immediate

#456

Governor Ronald Reagan today announced the appointment of Jimmy D. Isbell, a post graduate student in agricultural education, to the California Exposition and Fair Executive Committee.

Isbell, 21, who is attending California State Polytechnic College at San Luis Obispo, is the eleventh student to be named to a major state board by Governor Reagan. He will fill the unexpired term of Nelson G. Dong of Stanford, who has resigned. The term ends in February, 1975.

Active in numerous campus agricultural organizations, Isbell, who received his degree in Agricultural Business Management this year, holds several scholarships and academic awards.

He is unmarried and lives at 519 East Brizzolara Street, San Luis Obispo. He is not registered with a political party.

Committee members receive necessary expenses.

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OFFICE OF THE GOVERNOR
Sacramento, California
Contact: Paul Beck
445-4571 7-30-71

RELEASE: Immediate

#457

Governor Ronald Reagan today signed legislation
that will provide Cal-Vet loan benefits to wives of Californians who
are prisoners of war or listed as missing in action.

"The wives of these brave men by their own heroism
and suffering, have qualified beyond any doubt for these benefits,"
the governor said in signing the bill (AB-665) by Assemblyman Ernest
Mobley (R-Fresno).

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WAS