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# THE BUSINESS AND TRANSPORTATION AGENCY

Office of the Secretary

1120 N Street

Telephone 445-1331

Gordon C. Luce, Secretary

Marc Sandstrom, Assistant Secretary

Merritt E. Van Sant, Assistant Secretary

Robert E. Nance, Press Contact

<u>Department</u>	<u>Director</u>	<u>Deputy</u>	<u>Press Contact</u>
Aeronautics Sacramento Municipal Airport	Joseph R. Crotti 445-2582	Keiffer E. Parker 445-2582	K.E. Parker 445-2582
Alcoholic Beverage Control 1215 O Street	Edward J. Kirby 445-3221	Bion R. Gregory 445-4265	Peter T. Sexton 445-5621
Banking 120 Montgomery St. San Francisco	James M. Hall, Supt. 557-3535 8-597-3535	James Ahlf, Dep. Sup. 557-1440 8-597-1440	Bert C. Mah 557-1332 8-597-1332
Corporations 1020 N Street	Anthony R. Pierno 445-8200	Vacant	Edward J. Dolan 445-8200
Highway Patrol 2611 26th Street	Harold W. Sullivan Commissioner 445-7473	R. A. Kridler Deputy Comm. 445-5265	Russell R. McComb 445-3908
Housing and Community Development 1100 K Building	Charles R. LeMenager 445-4775	Vacant	Donald R. Crow 445-8600
Insurance 1407 Market Street San Francisco	Richards D. Barger Commissioner 557-1716 8-597-1716	Wesley J. Kinder Los Angeles 620-2581 8-640-2581	Henry Wikstrom 557-0763 8-597-0763
Motor Vehicles 2570 24th Street	Verne Orr 445-5281	James W. Chapman, Jr. 445-5281	Erwin Cooper 445-3927
Public Works 1120 N Street	James A. Moe 445-2201	Robert B. Carleson 445-7892	Robert E. Nance 445-3523
Real Estate 111 Capitol Mall	Burton E. Smith Commissioner 445-3996	John E. Hempel Chief Asst. Comm. 445-3995	J. E. Hempel 445-3995
Savings and Loan 3440 Wilshire Los Angeles	Preston Martin Commissioner 620-2263 8-640-2263	Eric Stattin 620-2263 8-640-2263	Preston Martin 620-2263 8-640-2263

Department: Business and Transportation Agency

Name: Gordon C. Luce

Married: Karon Turnbow

Children: Kelly 12, Randy 9, Andrew 2 $\frac{1}{2}$

Residence: 2110 Rockwood Drive, Sacramento

Political Affiliation: Republican

Education & Degrees: Stanford, B.A., 1950;  
Stanford School of Business, M.B.A., 1952;  
Indiana Univ. School of Savings & Loan, 1959

Appointed: January 3, 1967

Position last held: Senior Vice President, Home Federal Savings  
and Loan Association, San Diego

Govt. job prior to this: None

Boards, Commissions,  
etc:

1. Member, Electronic Data Processing  
Policy Committee
2. Member, Intergovernmental Council  
on Ocean Resources
3. Member, Intergovernmental Council  
on Urban Growth

Department: Business and Transportation Agency

Name: Marc Sandstrom

Married: Ann

Children: Bret 10, Brad 7, Scot 3

Residence: 10 Moonlit Circle, Sacramento

Political Affiliation: Republican

Education & Degrees: Stanford, B.A. and LLB, 1956, 1958

Appointed: November, 1968

Position last held: \*

Govt job prior to this: \* Attorney, California Department of Public Work

Boards, Commissions,  
etc.:

1. Alternate, Bay Area Transportation Study Commission
2. Alternate, Intergovernmental Board on Electronic Data Processing

Department: Business and Transportation Agency  
Name: Merritt E. Van Sant  
Married: Joan  
Children: Edward 16, John 15, Barry 13, James 4  
Residence: 501 Alma Real Drive, Pacific Palisades  
Political Affiliation: Republican  
Education & Degrees: Stanford - B.A. in Political Science, 1952  
Appointed: February 17, 1969  
Position last held: Insurance Executive and Financial Consultant  
Govt. job prior to this: None  
Boards, Commissions, etc: None

Department: Public Works

Name: James A. Moe

Married: Beverly

Children: Teresa 11, Cynthia 9, Jeffery 8, John 6

Residence: 4828 Keane Drive, Carmichael

Political Affiliation: Republican

Education & Degrees: Univ of Minnesota, B.C.E. 1954

Appointed: October 10, 1968

Position last held: \*

Project Manager of Field Operations for Pozzo Construction Co. and Pozzo Constructors, Inc. Los Angeles

Govt job prior to this: \* Chief Deputy Director of Public Works

Boards, Commissions, etc.:

1. Governor's Council
2. State Public Works Board
3. Administrative Officer, California Highway Commission, and California Toll Bridge Authority

Department: Motor Vehicles

Name: Verne Orr

Married: Joan

Children: Carolyn 21, Robert 19

Residence: 1444 Hillcrest Avenue, Pasadena

Political Affiliation: Republican

Education & Degrees: Pomona, B.A., Stanford, M.A., Business Administration

Appointed: March 1, 1967

Position last held: President, Investors and Loan Association

Govt. job prior to this: Foreman, Los Angeles County Grand Jury, Calendar Year 1962

Boards, Commissions, etc.:

1. Air Pollution Control Board;
2. Member, Air Resources Board;
3. Intergovernmental Board on Electronic Data Processing

Department: California Highway Patrol

Name: Harold W. Sullivan

Married: Anita

Children: Donald 27, Catherine 23

Residence: 17235 Otsego, Encino

Political Affiliation: Republican

Education & Degrees: U.S.C., B.S. Public Administration 1949

Appointed: January 2, 1967

Position last held: Deputy Chief, Los Angeles Police Department  
and Commander, Traffic Bureau

Govt job prior to this: None

Boards, Commissions,  
etc.:

1. Governor's Advisory Committee on the Calif.  
Traffic Safety Program
2. Highway Safety Coordinating Committee
3. California Highways and Transportation  
Research Council



Department: Aeronautics

Name: Joseph Robert Crotti

Married: Beverly June

Children: Dennis 20, Laura Ann 16

Residence: 19 Cavalcade Circle, Sacramento

Political Affiliation: Democrat

Education & Degrees: High School; Specialized courses in business and public administration

Appointed: December 15, 1967

Position last held: Airport Manager and City Manager Pro-tem, City of Merced

Gov't. job prior to this: None

Boards, Commissions, etc: 1. Vice President, Region VI, and Chairman of Committee on User Charges and Taxes, National Association of State Aviation Officials;  
2. American and California Associations of Airport Executives

Department: State Transportation Planning Coordinator  
Name: Charles G. "Chuck" Beer  
Married: Patricia  
Children: Jane 20, Don 18, Greg (stepson) 16, Ken 15  
Residence: 85 Moonlit Circle, Sacramento  
Political Affiliation: Republican  
Education & Degrees: Univ of California, B.S., 1940;  
Univ of California, LA, M.A., 1945  
Appointed: February 2, 1969  
Position last held: \*  
Govt jobs prior to this: \*Urban Planner, Calif. Division of Highways  
Engineering, career civil service  
Boards, Commissions,  
etc.: None

Department: State Transportation Safety Coordinator

Name: John W. Berke

Married: Tatiana

Children: Kathryn 21, Ann 20, Wendelyn 16, Randall 13,  
Thorens 12

Residence: 2772 Lacy Lane, Sacramento

Political Affiliation: Republican

Education & Degrees: Univ of Minnesota, B.A. 1949  
Graduate work at Univ of Calif., and  
Sacramento State College

Appointed: June 5, 1968

Position last held: Chief, Management Planning, Dept. of General  
Services

Govt jobs prior to this: Dept. of Finance, Fish & Game, Agriculture

Boards, Commissions,  
etc.: None

Department: Banks

Name: James M. Hall

Married: Margaret

Children: Catherine 9, Jeffery 7

Residence: 2065 Oakland Avenue, Piedmont

Political Affiliation: Republican

Education & Degrees: U.C. at Berkeley, BA in Economics, 1955;  
U.C. at Berkeley, L.L.B. 1962

Appointed: February 9, 1967

Position last held: Luce, Forward, Hamilton & Scripps, San Diego

Govt job prior to this: None

Boards, Commissions,  
etc.:

1. Member District Securities Commission
2. Governor's Council
3. Director of the National Association of Supervisors of State Banks

Department: Housing and Community Development

Name: Charles LeMenager

Married: Nancy

Children: Paula 19, John 17, William 11, Thomas 8

Residence: 40 Shoreline Circle, Sacramento

Political Affiliation: Republican

Education & Degrees: Certificate, Institute of Industrial Relations,  
U.C.L.A., 1951

Appointed: April 4, 1967

Position last held: Vice President and General Manager,  
Summerbell Structures Division,  
Speedspace Corporation, Santa Rosa

Govt job prior to this: Mayor of Santa Rosa

Boards, Commissions,  
etc.: Secretary to the Housing and Community  
Development Commission

Department: Real Estate

Name: Burton Smith

Married: Elizabeth (Betty)

Children: Burton 25, Brad 20

Residence: 9876 Crestbrook, Bellflower

Political Affiliation: Conservative Democrat

Education & Degrees: U.S.C., B.A. Business Administration 1941

Appointed: January 17, 1967

Position last held: Realtor

Govt job prior to this: None

Boards, Commissions,  
etc.:

1. Chairman, State Real Estate Commission
2. Board of Directors, National Association of Real Estate Boards
3. Board of Directors, National Association of Real Estate License Law Officials

Department: Alcoholic Beverage Control

Name: Edward J. Kirby

Married: Ruth

Children: Patricia 23, Kathleen 19, Mary Susan 12

Residence: 2524 French Street, Santa Ana

Political Affiliation: Republican

Education & Degrees: Univ. of Nebraska, B.A. 1941

Appointed: March 27, 1967

Position last held: Supervising Special Agent, FBI, Los Angeles

Gov't.job prior to this: See above

Boards, Commissions,  
etc.:

1. Governor's Council
2. Governor's Coordinating Council on Alcohol Problems

Department: Corporations

Name: Anthony R. Pierno

Married: Beverly

Children: Kathryn 11, Robert 6, Linda 5, Diane 3

Residence: 1263 Oakcrest Avenue, Brea

Political Affiliation: Republican

Education & Degrees: Whittier College, B.A., 1954;  
Stanford Univ., L.L.B., 1959

Appointed: February 11, 1969

Position last held: \*  
Partner in law firm, Poindexter and Barger,  
Los Angeles

Govt job prior to this: \*Chief Deputy Commissioner of Corporations

Boards, Commissions,  
etc.: Corporations Committee, State Bar Association



Department: Insurance

Name: Richards D. Barger

Married: Ann

Children: Richards Jr. 16, James 13, John 12, Kathryn 8

Residence: 2161 Adair Street, San Marino

Political Affiliation: Republican

Education & Degrees: BS Business Admin., Indiana U. 1950; L.L.B. USC, 1953

Appointed: October 15, 1968

Position last held: Senior Partner, Law Firm of Poindexter & Barger, Los Angeles

Gov't. job prior to this: None

Boards, Commissions, etc.:

1. Member of Governing Board California Inspection Rating Bureau
2. National Association of Insurance Commissioners

Department: Savings and Loan

Name: Dr. Preston Martin

Married: Adrienne

Children: Jeffery 17, Barbara Gay 15, Pier 7

Residence: 1110 Arden Road, Pasadena

Political Affiliation: Republican

Education & Degrees: Univ of Oklahoma, B.S. 1946;  
Univ of Southern Calif., M.B.A. 1948;  
Indiana Univ., Ph.D., 1952

Appointed: January 16, 1967

Position last held: Professor of Finance & Director, Urban  
Development, USC

Govt job prior to this: None

Boards, Commissions,  
etc.:

1. Vice-President, National Association of  
State Savings and Loan Supervisors;
2. Director, Lincoln Savings and Loan, 1959-67

**BUSINESS AND TRANSPORTATION AGENCY**

1120 N STREET, P.O. BOX 1139, SACRAMENTO 95805

AERONAUTICS  
ALCOHOLIC BEVERAGE CONTROL  
BANKING  
CORPORATIONS  
CALIFORNIA HIGHWAY PATROL  
HOUSING AND COMMUNITY DEVELOPMENT  
INSURANCE  
MOTOR VEHICLES  
PUBLIC WORKS  
REAL ESTATE  
SAVINGS AND LOAN



GORDON C. LUCE  
*Secretary*

MARC SANDSTROM  
*Assistant Secretary*

MERRITT E. VAN SANT  
*Assistant Secretary*

February 27, 1969

TO: Honorable Lt. Governor Reinecke  
President of the Senate

Honorable Robert Monagan  
Speaker of the Assembly

Gentlemen:

As promised by Governor Ronald Reagan in his State of the State Message, I am submitting this report on the Business and Transportation Agency.

The Business and Transportation Agency was established by the Governor's Reorganization Plan No. 1 of 1968 and includes the following departments: Public Works, Highway Patrol, Motor Vehicles, Aeronautics, Banking, Corporations, Real Estate, Savings and Loan, Insurance, and Housing and Community Development. Pursuant to executive order the Department of Alcoholic Beverage Control was also added to the Agency.

Agency Goals

The primary goal of the Business and Transportation Agency is to stimulate the economy, encourage a healthier business climate and protect California citizens by providing maximum public service at the minimum cost.

The following policy statements are designed to be implemented within the framework of that primary goal:

Business

1. Encourage development of California economy which is key element to full employment and better housing.
2. Focus regulatory efforts on areas of potential problems thus increasing public protection while minimizing harassment.
3. Maintain careful watch to insure stability of financial institutions thereby protecting investment of California citizens.
4. Carefully evaluate all government programs to eliminate waste, red tape, inefficiency and unproductive duplication of private sector's efforts.

Transportation

1. Keep California citizens mobile.
2. Improve safety and efficiency of all transportation systems.
3. Encourage greater community involvement in coordinated transportation planning.
4. Minimize impact of highways and other transportation systems on environment.
5. Develop statewide plan for transportation to meet future growth.

Expenditures Down

Expenditures of this Agency will be reduced from \$1,130,642,337 in the present fiscal year to \$1,099,132,009 in 1969-70. This represents a 2.7% decrease on the average of our 11 departments at a time when the Highway Patrol's Budget increased 10.73% because of legislative mandate to double the Patrol in 3 years. Almost 90 percent of this expenditure will go into the construction of a better and safer transportation system for Californians.

Despite this budget reduction and no gas tax increase during the past two years 665 highway projects totalling \$280 million have been advanced for earlier construction. This compares with a \$50 million figure for the preceeding two years. During 1969-70 it is anticipated that highway construction commitments will be increased by 46%.

Fewer Employees

In January of this year, total employment in the 11 departments of the Business and Transportation Agency had increased only 6% over the same month in 1966. Here again the California Highway Patrol increase of 59% in the number of employees from 4,522 to 7,187 brought this average up. Without

the legislatively dictated increase in Highway Patrol strength the Agency would show a 2.8% decrease in personnel over the last two years. Some of the more notable decreases include Corporations 28%; Real Estate 24%; Insurance 14%; Savings and Loan 3%; Banking 8% and Public Works 2%.

#### Governor's Task Force on Efficiency and Economy

Emphasis on implementation of recommendations of the Governor's Task Force on Efficiency and Economy continues. To date the departments within this agency have implemented 216 recommendations or 58% of those that apply to the agency with potential annual savings of more than \$9 million and potential one time savings exceeding \$10.5 million. Through combined legislative and administrative implementation we anticipate a substantial increase in these savings in the future.

#### Traffic Increases

Last year, Californians drove almost 54 billion vehicle miles on state highways only, an increase of 5.6 percent over 1967. Of that total, more than half, or 33.5 billion vehicle miles, were driven on the state's freeway system although it constitutes less than 10 percent of the total state highway system in California.

#### Fewer Traffic Deaths

Through the combined achievements of the California Highway Patrol, Public Works and Motor Vehicles we are witnessing an unprecedented change for the better in traffic fatalities.

The fatality rate per 100 million vehicle miles driven on freeways was reduced to 2.57. Almost 4% below the 1967 rate.

Provisional figures from the California Highway Patrol indicate that the overall 4.3% reduction in the mileage death rate will place California in the lowest group of states nationally.

In absolute numbers the total fatalities on California's streets and highways for 1968 were 4,853 compared with 4,883 for 1967.

In the area of non-fatal accidents although vehicle travel under California Highway Patrol jurisdiction increased more than 6.5% in 1968, injury accidents increased only 2%.

### Environmental Enhancement

A major goal has been to protect our resources and enhance community environment as we develop transportation systems. Examples of recent accomplishments in this area include:

1. Route 1 at Fort Ross was relocated to accommodate proposed park development and protect historical artifacts.
2. Route 101 through Richardson Grove State Park in Humboldt County was revised.
3. Park values along the east side of Eel River were preserved by a route change.
4. Balboa Park in San Diego will not be disturbed by eventual Route 395 modifications.
5. Many acres of farm land will be preserved by joint use of right of way for a Water Resources Peripheral Canal and Interstate 5 construction. In addition, this joint use will save over \$5 million in state funds.
6. Restudy of Route 199 is underway to avoid or minimize impact on Jedediah Smith State Park.
7. New design concepts have radically improved public works projects such as the award winning San Mateo Bridge, new San Diego-Coronado Bridge and Toll Plaza, and the Junipero Serra Freeway in San Mateo County.

This effort will continue and grow in cooperation with the Resources Agency.

### Highway Construction Funds

If we are to meet these goals, it is imperative that the new administration in Washington, D. C. does not manipulate the Federal Highway Trust Fund monies as did the previous administration. In fact, this Agency has asked for a review of California's equitable share of the Federal Trust Fund. Maintaining a properly balanced construction program has been extremely difficult because of untimely "suspensions" of trust fund allocations in the past. In this respect, the Reagan administration was able to reclaim for California, over  $\frac{1}{4}$  billion dollars in Federal highway funds which had been lost in a disagreement between the previous state administration and the City of San Francisco. We accomplished this by persuading the Department of Transportation to transfer these funds to the Century Freeway in Los Angeles as part of the Federal Interstate System.

The Century Freeway may well become a catalyst for better freeway planning nationwide.

### The Century Freeway Concept

The "Century Freeway Concept" can be adapted for use in other urban areas of California as well. Engineers have approached this freeway project with a design unit of economists, urban planners and other specialists behind them.

The state is also providing planning money in order to solve problems the freeway may create, while the freeway itself is in the design stage. In this way, the freeway can serve as an opportunity to enhance the affected community.

The success of the Century Freeway Concept could prove a stimulus to San Francisco officials and offer a solution to that city's traffic problems.

### Beneficial Legislation

Legislation proposed by this Agency last year will have far reaching effects and provide beneficial results for residents of economically depressed areas whose homes lie in the path of freeways.

These relocation assistance laws permit Public Works to use highway construction funds to replace owner-occupied housing of lower income families whose homes are situated in the right of way of a future freeway. This will help to overcome major socio-economic problems which previously have sometimes marked freeway construction. In those instances where housing is not replaced in kind the department is permitted to pay added amounts to assist in resettling persons in comparable housing thus minimizing the economic impact of relocation.

### Balanced Transportation

Our agency has actively supported legislation and encouraged development of all forms of transportation.

A prime example is our support of the Mills-Hayes Bill (SB 202) last session. Although the measure reduced revenue to the Highway Fund by over \$2 million it offered a chance to improve work related mass transportation especially in lower income areas. Early returns are encouraging. For example:

The Southern California Rapid Transit District used its share of the funds to assist in the establishment of more than 20 new bus lines.

In Santa Monica bus service during rush hours was augmented where required and new lines added in a residential area where previously no service was supplied.

Among benefits enjoyed by the Long Beach Public Transportation Company was its ability to retain a 20-cent fare despite higher operational costs.

The completion of Bay Area Rapid Transit System will offer operational joint use of transportation corridors to better serve the public while minimizing the necessary land use.

Currently we are cooperating with transit districts in Los Angeles and San Diego on development of pilot projects to better utilize our Freeway System for mass transit.

To meet future needs this agency enlisted the services of a Transportation Task Force of 24 experts which worked diligently to recommend a policy regarding the state's role in transportation. Their recommendations include establishing an office of Transportation Planning and an Advisory Transportation Board. We recognize that planning a balanced transportation system for California is essential. The freeway and expressway system when completed to its 1980 standards will handle only 60 percent of the state's travel. Other means of transit must be developed as rapidly as possible. We will present for your consideration legislation to implement these proposals as a first step to the state's involvement in other forms of transportation. Also during this session our Agency will cooperate in the legislative deliberation over creation of Regional Transportation Districts as recommended by the Task Force.

#### Traffic Safety Coordination

Coordination of the overall highway safety effort is a major concern of the Governor. California's law's permit delegation of state responsibilities in this field that were created by the Federal Highway Safety Act to the Secretary for Business and Transportation. The Secretary fulfills this responsibility through the Office of the Transportation Safety Coordinator.

Utilizing this office a combined effort is being made to reduce traffic accidents. Here we will seek coordination of the safety activities of Public Works, Motor Vehicles, Highway Patrol, Public Health, Education, and the Administrative Office of the Courts together with those of cities, counties, and districts.



### Emergency Medical Aid

A most serious deficiency in California's over-all traffic safety is the lack of adequate emergency medical service for accident victims. Studies have shown that nationwide, some 20,000 lives from every type of accident could be saved by modernizing all elements of the emergency medical response. Other studies conclude that 50 to 75% of rural highway deaths may not have occurred if prompt and experienced emergency medical services had been available.

For these reasons, two projects designed to improve emergency aid, are being coordinated with financial assistance from the National Highway Safety Bureau.

One, conducted by the State Department of Public Health, will specifically identify the emergency medical service deficiencies statewide, and provide guidelines for future legislation or financial assistance.

Another project under direction of the California Highway Patrol, will use helicopters for freeway traffic surveillance and, at the same time, determine the feasibility of helicopter-ambulances in rural and urban areas.

### Drinking Driver

Meanwhile this office is concentrating on a solution to the drinking driver problem since this has been determined to be one of our most serious traffic safety hazards. Public safety demands stronger laws to control this irresponsible driver. A presumptive limits bill has been introduced in this legislative session which would set .10% as the blood-alcohol concentration level at which a person's driving ability is presumed to be impaired. The Agency joins with Governor Reagan as a strong proponent of such legislation.

### Departmental Reports

We invite you to review the following reports of our departments which in capsule form outline their activities. Each department stands ready to give you further information on request.

## DEPARTMENT OF AERONAUTICS:

One of the nation's most pressing problems today is the growing crisis of air congestion and lack of adequate airports or traffic control systems to cope with it efficiently. The Department has taken several important steps to alleviate these problems here in California.

Since the beginning of the 1967-68 fiscal year, the Department already has allocated through the state's Airport Assistance Revolving Fund some \$3,085,000 to 65 airports throughout California. The money was used for acquiring land for new airports or improving existing airports to bring them up to safety standards established by the Department.

The funds come from a two cents a gallon gas tax applied to general aviation. Aircraft used in agriculture and common carriers are exempt.

### Master Plan for Aviation

This year marks the start of the comprehensive State Master Plan for Aviation. Rapid increase in general aviation aircraft and the number of passengers at existing airports made it necessary that such a plan be started to insure orderly development and allocation of resources between aviation and other public systems as well as among the various aviation subsystems themselves.

The plan will provide the California Aeronautics Board with guidance in allocating the gas tax under the Revolving Fund and the channeling of any Federal grants to California airports. It will also help to coordinate local and regional airport plans with those in the rest of the state.

The Department is studying the property tax status of privately owned but publicly used airports with a hope that tax relief measures can be developed in the

near future to encourage more airports.

### Legislation for Channeling Funds

One of the Department's immediate goals is to support State legislation that will make possible the channeling of Federal Aid to Airport funds through the Department. The Department feels that it is in a better position than the federal government to determine where such funds could best be allocated to produce the most good.

### Search and Rescue System

The Department is also working on a better Search and Rescue System in California. Records show a substantial number of aircraft and persons missing for many years without being located, particularly in the mountainous areas of the western states. Many fatalities could be avoided if a method of rapid location of a crash site were developed. The Department is taking the lead in installing downed aircraft radio transmitters in its aircraft and is supporting federal legislation to require all aircraft to be equipped with down locator beacons.

### New Navigational System

Last year, the Governor signed into law a bill which permits the Department of Aeronautics, along with the Department of Harbors and Watercraft, to lease a low-level hyperbolic navigational system for a three-year evaluation. Aviation in California has great need of a simple, highly accurate, navigational system which operates in a non-airline, non-commercial environment. The intent of the evaluation is to make available to aircraft and vessels a modern, sophisticated system which will enable air and water transportation to navigate with precision under conditions of extremely low visibility.

### Western Air Corridor Study

The Department also is coordinating with 13 western states on the Western Air Corridor Study Program to formulate a project which will evaluate short haul air systems and solve the problem of their interference with other modes of travel. Particular attention will be given to use of vertical lift aircraft (helicopters) and short takeoff and landing aircraft (STOL).

### Aviation Education

Finally, the Department continues to encourage better aviation education methods in schools at both college and high school level. Imaginative programs can spark student interest into pursuing a career in the aerospace field. In this regard, the Department will work closely with the newly appointed Task Force on Aerospace-Aviation recently created by the Governor.

## DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL:

Reorganization and streamlining of the Department has reduced the total number of authorized personnel from 460 in January 1967, to 445 today, a reduction of nearly 3½%

This has been accomplished in spite of the fact that the total workload of the Department has increased.

Branch offices in which the workload did not justify the number of people assigned to it have been reduced in strength and the personnel reassigned to other offices having a greater workload. The field service has been reorganized into two divisions with approximately equal workloads so that employees may be used more effectively.

### Financially Self Supporting

As a result of streamlining and other economies, revenue to the State General Fund has been increased from \$4,154,000 to \$6,250,000 a year and the Department, for the first time in its history, generates greater revenue for the General Fund than its annual budget.

### Orderly Marketing Conditions

The State has long had statutory provisions to regulate orderly marketing and eliminate price wars, unfair practices and other practices which would tend to increase consumption of alcoholic beverages in opposition to a stated Constitutional purpose of promoting temperance. Through enforcement, the Department has achieved an orderly marketing condition on an industry-wide basis throughout the state. California is now looked upon by the industry as the leader in this field throughout the nation.

## DEPARTMENT OF BANKING:

The State Banking Department is principally concerned with the protection of the public from widespread economic losses associated with the failure of banks and trust companies. Preservation of the dual system of state and national banking to assure the public of convenient, competitive and reasonably priced banking and trust services is also of vital concern to the Department.

### Quality of Supervision Upgraded

Through better use of manpower, modernization of examining procedures and examiner training programs, the quality of bank supervision is being upgraded and operating costs reduced. Specifically, an annual savings of \$15,120 per year has been accomplished by changes in office space requirements. Departmental personnel has been reduced from 87 to 78. About one-half of the decrease is represented by improved operating procedures with the balance resulting from a decrease in workload.

### Financial Code Modernized

A legislative program to update and modernize portions of the California Financial Code has been submitted and a committee has been appointed to review and recommend further changes in the statutes to assure California state banks an opportunity to compete on an equal basis with national banking associations.

### Assistance for Small Businesses

The Department has also played a leading role in getting the State Small Business Assistance Program and the

Job Development Corporation Law under way. Through these programs it is expected that substantial progress will be made toward the elimination of unemployment and other problems in the low-income urban areas of the state.

In addition, standards and regulations regarding the issuance of bank securities are being developed. Codification and publication of departmental rulings and interpretations in regulation form is under way. An increase in the scope and effectiveness of examinations of trust activities and trust companies is being implemented.



## DEPARTMENT OF CORPORATIONS:

A committee of experts appointed by the Commissioner drafted and the Department sponsored legislation which has now become the Corporate Securities Law of 1968. This extremely important legislation became effective on January 2, 1969. It completely revised the previous law and provides a new framework more adequately designed to meet the regulatory problems in today's securities market.

The Department also sponsored revision of several of the Lender-Fiduciary laws. These replace the former required regulatory examinations by the Department with a more realistic and flexible program. The amended statutes provide for regulatory examinations to be made at the discretion of the Department and permit the acceptance in certain circumstances of certified audit reports instead of regulatory examinations.

### Personnel Reduced 28 Percent

Great savings have been realized in the operation of the Department. At the time Governor Reagan assumed the leadership of the State, the Department had a staff of 416 employees (with a total authorized staff of 430). It has an actual staff of 294, or a reduction in personnel of over 28%. During this period, the workload has increased more than 25%.

### Department Reorganized

A reorganization of the Department along functional rather than geographic lines has been accomplished. The Department had previously been organized with autonomous offices in Los Angeles, San Francisco and Sacramento, lacking in uniformity and duplicative in procedures, efforts and actions. Great efficiencies and economies have resulted by reason of the reorganization.



Many administrative changes have been introduced into the Department as a result of system analyses and cost studies. Outdated methods have been replaced with modern procedures; duplications and unnecessary practices have been eliminated; and up-to-date systems have been introduced throughout the organization.

## CALIFORNIA HIGHWAY PATROL:

During the first 12 months of statewide operation of the Passenger Vehicle Inspection Program, Patrol teams have inspected more than 1,600,000 vehicles (17% of the state total). Defects noted on vehicles have decreased from 67% to 57% since the program started. This steady decline of vehicles in violation of the Vehicle Code equipment requirements indicates the effectiveness of the inspection program. There was no increase in manpower expended on the program.

Off highway commercial vehicle inspection by Motor Carrier Inspectors covered 14,650 terminal inspections involving 50,500 vehicles; 2,500 defective commercial vehicles were placed out of service and 92,000 violations requiring correction were noted.

### Task Force Recommendations Implemented

Of the 85 recommendations concerning Patrol operation made by the Governor's Task Force, 51 have been affected and several others are being implemented. This has resulted in cash savings of \$550,000 and savings of \$292,000 through increased efficiency of operation. Employees' Merit Award Board suggestions resulted in another \$26,000 savings, bringing the total to \$868,000.

### Patrol to Police All Freeways

Plans were developed, personnel recruited and trained, and facilities and equipment acquired to take over policing by the Patrol of portions of the freeway systems in Los Angeles and San Diego. The first portion was taken over in the fall of 1968. All freeways will be under the California Highway Patrol by the end of 1969, resulting in responsibility for the patrol of 195 additional miles of full freeway.

## Aid in Controlling Civil Disturbances

During 1968, personnel of the Patrol expended 5,264 man days in assisting local law enforcement agencies during 34 separate situations involving civil disturbances which were beyond control of the local authorities and which jeopardized the free and safe movement of people.

## Use of Helicopters

The Patrol is initiating a program to test the use of jet turbine helicopters to detect the need for services of disabled motorists and to expedite the flow of traffic by rapid detection and removal of impediments. A vendor has been selected to provide three jet turbine helicopters, and contract for their acquisition is in final stages of preparation. Personnel have been recruited within the department for their operation. One aircraft will provide freeway supervision in the metropolitan Los Angeles area, one will be assigned to Indio, and one to the San Francisco Bay area. The program should be fully operational by early summer.

## Integrated Traffic Records

In order to develop an improved statewide integrated traffic records system meeting needs of California and Federal Highway Safety Program standards, a program has been developed to contract with outside research groups to conduct such a study. There were 92 requests for proposals distributed, and 22 proposals have been submitted. These are under study at the present time.

## Smog Research

In order to determine the effectiveness of the steam engine as a substitute for the smog-producing internal combustion engine, four proposals have been received from manufacturers and are now under study by the Patrol. Findings thus far indicate a strong possibility that a substitute for the internal combustion engine is on the horizon. It is anticipated that manufacturers can provide prototype vehicles for testing by departmental personnel by fall of 1969.

## Sound Level Enforcement

Three pilot programs to develop a procedure for sound level enforcement through the use of scientific testing equipment have been completed and a sound measurement procedures manual has been developed. The Patrol is in the process of acquiring several sets of specially

designed sound testing equipment which will be used by six trained teams operating statewide in early 1969. A number of new motorcycles, sports type passenger cars and heavy trucks were found to exceed permissible noise limits. Manufacturers were required to redesign exhaust systems to quiet the vehicles and, in flagrant cases, to replace exhaust systems of vehicles already in service.

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:

Despite the vast array of existing federal programs, the poor quality of our urban neighborhoods and the chronic condition of social unrest persists. This fact was instrumental in the creation of the Model Cities Program which has as its objective the coordination of all public and private resources for the benefit of selected neighborhoods. Because of the departure that this program represents from traditional public programs, the Department, under the Governor's direction, assumed a significant role in coordinating the efforts of state government in connection with Model Cities. The Department provides the necessary staff for a Statewide Model Cities Coordinating Committee. This committee consists of all appropriate state agencies. To date there are 11 California cities participating in the Model Cities Program. This figure represents the highest in the nation.

### City, County Plans Must Include Housing

Legislation was enacted in 1967 which requires cities and counties, charter cities exempted, to include a housing element in their general plans. This requirement is scheduled to take effect July 1, 1969, and has caused considerable confusion as to what will be necessary for local units of government to comply with this legislation. The Department provided the leadership in sponsoring a series of symposiums in five areas of the state to acquaint some 750 local officials with this requirement and to provide more definitive information in terms of compliance. During the past three months, the Department has received in excess of 25 inquiries regarding this matter and is meeting daily with local officials to help them with their queries and problems.

### Governor's Conference on Housing

The Department played an important role in organizing and conducting the statewide Governor's

Conference on Planning for Housing and Home Ownership. The conference was attended by nearly 800 people from all segments of private industry and local government. The Conference provided a forum for exchange of ideas and dissemination of information about new techniques and concepts. Some 63 cities and counties have since established housing task forces for reviewing local housing problems.

### Technical Assistance

During 1968 the Department also provided technical assistance for development of low-income housing to over 20 governmental agencies and quasi-public agencies. The range of services varied from detailed and statistical surveys of housing needs to more general considerations.

The Department has also helped in acquainting local units of government with new concepts of building design and land utilization which might be used to improve the supply of housing and reduce housing costs to the consumer.

### Housing for Low-Income Families

To assist in meeting the goal of providing housing for low-income families, the Department has firmly committed itself to the Section 23 Leased Housing Program and has provided assistance to 34 jurisdictions in connection with this program. This assistance has amounted to more than 15,000 units during the past two years, the bulk of which were approved during 1968. The Department is gratified that these accommodations have been made in a manner which involves the use of private accommodations. Thereby they remain on the tax rolls and represent private involvement in housing for low-income families.

### Prototype Housing for Farm Workers Completed

Twenty-eight prototype housing units for agricultural farm workers units have been completed under a \$243,000 federal grant. The Department has studied a variety of building techniques, materials, and methods, and is acquiring a wealth of information about building technology which can be made available to private industry. Hopefully, this study will translate into more adequate housing for agricultural farm workers.

### Savings from Efficient Use of Personnel

The workload of the Department personnel was analyzed. That resulted in the shifting of offices and employees to provide a more efficient and streamlined

operation. The South Central Area and its area office in Bakersfield was eliminated. The Coastal Area office in Santa Rosa was moved to San Jose. This accomplished more efficient use of personnel, lowered the operating expenses and also provided better service to the public in the areas of heavy workload. Savings will amount to about \$45,000 a year.



## DEPARTMENT OF INSURANCE:

### Licensing Function Being Revised

The Department has 306 authorized positions, but is carrying on its functions with 287 employees. The Department feels that it can maintain the present level of service to the public with the same or perhaps even less number of employees than it now has. In order to accomplish a program of renewed emphasis on economy there will be streamlining of the Licensing Division of the San Francisco office to reduce personnel while still maintaining the current workload in administering examinations and issuing licenses.

Traditionally, the Department has kept a mass of historical data whose usefulness has become outweighed by the cost of maintaining it. The Department is planning a revision in the licensing function which should be susceptible to automation through the use of punch cards and computers. Discarding of the present outmoded system will require legislation.

Present plans also include coordination between the large business accounting firms and the Department's Division of Examination to interchange information and reduce duplication of effort by both the industry and the Department.

### Credit Life Regulations

The Commission feels Credit Life Regulation in California is cumbersome, not only in its administration by the Department, but to the insurance industry as well. The intent of the regulations could be well served by a revision of the procedures formerly adopted by the Department and should result in less work to carrying out the current level of regulation.



## DEPARTMENT OF MOTOR VEHICLES:

Initial budget reduction under the new administration occurred when the proposed 1967-68 fiscal year budget of the out-going administration was reduced by \$4,545,307. Despite this budget cut, the Department was able to accrue additional savings of \$2,996,833 at the conclusion of the 1967-68 fiscal year. These savings came from the personnel hiring freeze, work simplification, and careful review and control of operating and equipment expenses.

### Budget Cut Realized

The proposed 1968-69 budget reflected a budget cut of just over \$900,000. This figure was derived by taking the 1967-68 personal services budget and adding to that the estimated workload increase and then subtracting from that total a flat 2%. Each division is meeting this 2% cut through work simplification or elimination of unnecessary procedures.

The revised 1968-69 budget reflects reductions of \$167,470 due to various task force recommendations. Additionally, a budget reduction of \$328,168 resulted from net workload adjustment due to various internal office procedure changes in the Vehicle License and Title Section of the Division of Registration.

### Mailing Procedure Change

Established a procedure for mailing interim licenses to applicants for duplicate and original drivers' licenses. This has resulted in preventing licenses from falling into the hands of those individuals who apply under a fictitious name or address with the intention of using the license for fraudulent purposes such as cashing bogus checks.

Revised criteria for purging driver record and related files to insure that documents are not retained when they are no longer essential. This has resulted in economies in work processes and in the task of converting to an automation system.

### Identification Cards

Developed a system for issuance of Identification Cards to implement 1968 legislation.

Devised and implemented special examinations for testing applicants for licenses to operate 2 wheel motorcycles to insure that only qualified persons are licensed for this purpose.

### Driver Improvement Courses

Conducted an intensive training course for Driver Improvement Analysts to improve their understanding of the law and legal procedures and their skill in conducting hearings -- particularly implied consent and other formal hearings. This has resulted in a substantial reduction of adverse court decisions.

### Driver Record Automation

Changed procedures in the Driver Improvement Program so that orders of probation and suspension are issued at the conclusion of a hearing. This assures service of the order and makes it possible to explain personally to the subject the significance of the action.

Eliminated the duplication of proofreading work orders prepared by Driver Improvement Analysts by developing more precise criteria and clearly defining areas of responsibility.

Converted 43% of the driver record file to the automation system. This represents approximately 5,590,000 records accessible for automation processing and remote inquiry.

Established a process for referring negligent drivers to traffic schools at the conclusion of a hearing. This has been done in selected cases where it was felt that the school could assist these people to learn safer driving habits.

Transferred processing personnel and the function of reinstating subjects involved in an accident from the

central reinstatement unit to the Financial Responsibility Section thereby reducing the time for mailing a reinstatement order by one or two days.

#### New Scheduling Speeds Case Flow

Devised and implemented new hearing schedules which has enabled the Driver Improvement Analysts to handle 25% more cases.

Eliminated Los Angeles registration file by establishing video communication between Los Angeles area law enforcement and Sacramento computer through terminals in our Los Angeles office. Established parallel telephone communication as supplement to video.

#### Auto Advertising Practices

Advertising practices of a few members of the automobile retailing industry have been allowed to go unchecked and abuses in this field have been spreading. This has been a cause of dismay to the majority of those in the industry. The Department has stepped in to enforce the statutes which prohibit misleading advertising and dealer groups have been encouraged by the Department to do an increasing amount of policing of advertising methods among themselves. They have been assured of the strong support and cooperation of the Department if they find instances where they are unable to effect desired improvements through volunteer methods.

#### Driver's License Fee Increase Proposed

In order to cover the increased costs to the Department for processing drivers' licenses, legislation is being proposed to increase the license fee from \$3 to \$5 and duplicate fees from \$1 to \$3. The \$3 fee has been in effect since 1953. During the ensuing 16 years increase in volume and more comprehensive and effective testing procedures have raised costs to the point where an increase in license fees is long overdue. Also proposed is an amendment to the Vehicle Code which will eliminate the need for courts to report to the Department of Motor Vehicles convictions which are not used in the Negligent Operator Program or for violations relating to equipment, weights, size and load.

#### Projects to Promote Economy, Efficiency

Pursuing the stated policy of this administration of service to the public coupled with internal economy and stepped up efficiency, the Department has:

Reduced the time required to process and mail licenses at Sacramento Headquarters to 10 working days by streamlining procedures. This shortened the process time an average of 22 days.

Stimulated work improvement by rotating the 12 Unit Supervisors in the Vehicle License and Section. Resulting innovations achieved economies estimated at more than \$1,000 a month.

Produced an attractive, easy-to-read Handbook for Drivers and prepared a Spanish version of same.

#### Senior Citizens Retraining

Studies were made of the problems of senior citizens drivers which included a possible retraining program and improved liaison by having Department personnel talk before senior citizen groups.

Initiated use of female employees in giving driver tests.

## DEPARTMENT OF PUBLIC WORKS:

The Department has the basic responsibility for planning, providing, maintaining and operating the State Highway and Toll Bridge System in accordance with policies established by the Governor, the Legislature, the Toll Bridge Authority and the California Highway Commission. The Department has three primary objectives for improving the way this responsibility is carried out. They are recognition of public needs, reduction of personnel and overhead costs, and provision of better traffic service. Progress toward accomplishment of these objectives is examined below:

### Better Recognition of Public Needs

The Department is striving to become more responsive to public needs and wants in its planning and development of a Statewide highway system. Community values and planning, resource conservation, socio-economic, cultural and aesthetic factors and coordination with other transportation modes will receive increased emphasis in key highway recommendations and decisions.

The Department was reorganized recently to better seek and heed advice from local governments and community groups on highway design and location. Expert consultation from other State departments with responsibilities for socio-economic and environmental factors such as resource conservation are being asked for and given full consideration, on all route selection recommendations to the California Highway Commission. Recommendations from private consulting firms are being used, when appropriate, on the more difficult cases. In addition, the new organization allows the Department to respond more rapidly to direction from the people through the Governor. The goal of this new emphasis is to assure that the public's wishes, as expressed through their elected officials, are being carried out.

## Citizens Advisory Committee Appointed

A temporary 11 member Citizens Advisory Committee was appointed in December by the California Highway Commission and the Director of Public Works, James A. Moe, to advise the Commission and the Director on developing new route locations and general freeway design procedures. Mr. Robert Carleson, former City Manager of Pico Rivera, was recently appointed Chief Deputy Director of the Department with a primary responsibility for coordination with local governments. He will be assisted by Robert Datel, former District Engineer, District 10, Stockton, and District 5, San Luis Obispo, who has a reputation for sympathetic response to community values and desires in freeway planning.

## Reduction of Personnel and Overhead Cost

The Department's second objective is to reduce its administrative costs. Despite an increasing highway program, it has been able to hold the line on the number of people it employs. Present employment is actually 143 people less than in January 1967, despite the heaviest snow removal requirements in 50 years, and preparation of plans and specifications for an anticipated 46% increase in 1969 highway construction. By minimizing overhead costs, more highway funds are available to construct needed highways without a tax increase. The Department is paying particular attention to consolidating and thereby reducing the number of high level management positions. It is also assuring that technicians do all work not requiring the more highly paid professionals. Both reductions are to be accomplished by normal attrition. A thorough review on the use of technicians is now underway, with the assistance of the State Personnel Board.

## New Division of Administrative Services

Many departmental functions were consolidated and streamlined into a Division of Administrative Services by the transfer of existing personnel and staff centralization. A significant reduction in positions will result as attrition occurs.

Top private consulting firms have been employed to assist the Department in several areas. One is management of the highway fund where \$1.6 million in additional interest will be earned annually. Twenty million dollars has been released for highway construction through other fiscal recommendations.

Another is the shortening of the time required to get a new highway facility ready for construction, where several years will be lopped from the current 6-10 year time requirement at considerable cost savings. A



third is the development of a new management planning, programming, budgeting and control system giving management the most modern business methods. A fourth is Work Measurement where pilot studies are underway in the design, maintenance and clerical areas.

#### Equipment Department Savings

Seventy positions have been eliminated in the Highway Equipment Department through improved administrative procedures, with an annual savings of \$560,000. The number of automobiles owned by the Department has been reduced by 320, which represents a cost of about \$600,000, and additional substantial reductions are planned by July 1. This will reduce significantly both equipment and handling costs.

One-way tolls on the Carquinez and Benicia bridges will save \$227,000 annually in salaries and also will result in a one time savings of \$100,000 by transferring the surplus toll equipment to the new San Diego bridge.

Plans, specifications and estimates for highway jobs will be prepared by a new method, saving about \$500,000 annually.

#### Improved Highway System Through Creative Methods

The third objective of the Department is to provide better traffic service from highway facilities, with an overall reduction in cost.

One method to reduce cost is through multiple use of right of way. An example is the lease of air space over Interstate 80 in Sacramento for a restaurant complex which will return rent money and a share of the profits to the highway fund, and also allow local governments to receive tax revenue from the restaurant facility.

Projects have been started to develop new traffic surveillance systems to increase the traffic carrying capacity and safety of the highways.

Teams of departmental engineers have been trained by a private consultant in the use of Value Engineering, and this modern technique will be applied to selected projects in order to assure a full return for each dollar.

In the past two years the Department has expended \$21 million on highway safety. This has reduced accidents by 10,000 and brought about a steady decrease in accident and fatality rates.

## DEPARTMENT OF REAL ESTATE:

A continuing review of office space begun some 2½ years ago by the Department has resulted in the release of more than 19,000 square feet at an annual savings of more than \$82,000 a year.

The number of Department personnel has been reduced from a high of 276 when the administration took office to 223 presently employed.

### Licensing to be Computerized

Contracts have been negotiated for programming of a large portion of the Department's license issuing load to electronic data processing. Once installed and in operation this will make it possible to streamline administrative procedures, provide better services to the public and reduce Department operating costs.

### Cooperation with Private Sector Stressed

Following the administration policy of imposing restrictions only to the extent that a citizen of integrity and prudence engaged in any business or endeavor would impose upon himself, the Department has solicited the involvement of the private sector of the real estate field for such help as it might be willing and able to provide.

### Advisory Committees Formed

Among the efforts undertaken in this direction have been the formation of Mortgage Loan, Subdivision and Real Estate Education Advisory Committees. They meet regularly, have made a number of worthwhile suggestions, and are helping



in the implementation of the responsibilities of this jurisdiction. In addition, the project by UCLA in Housing the Underhoused was presented to the private sector, and the Life Insurance Association of America has added a \$150,000 grant toward this significant project. The project was outlined after the expenditure of only \$4,000 original seed money from the Education, Research and Recovery Fund administered by the Real Estate Commissioner.

#### Real Estate Broker Requirements Strengthened

The introduction of departmental legislation by the Department resulted in the signing into law by the Governor of S.B. 253 (1968) providing mandatory college level educational course requirements for real estate brokers in 1970, with a further strengthening of the requirements in 1972.

The development of a master geographic letter and its promotion for use by cities and counties in order to simplify the documentation requirements upon subdividers was also completed. This will lessen the cost to subdividers and speed the issuance of the Public Report in connection with subdivided lands.

#### Revised Procedures

Legislation was adopted in 1968 which relieves the necessity upon state government to reissue licenses when there is a change in status. The licensee notes the change on his license and advises the Department. No further action is necessary, and this has resulted in a portion of the reduction in personnel referred to above.

After extensive surveys to determine the ability to examine in greater depth in a given period of time through objective (multiple choice) examinations, rather than the essay type examinations used previously, both salesman and broker examinations have been changed over to the objective format at a substantial saving in grading time, proctoring time and office materials. Again, this has resulted in a portion of the reduction in personnel referred to above.

#### Functional Inventory

A continuing functional inventory is underway, which should bring forth opportunities for further economies. Among these functions is the question of the desirability and the economic feasibility of continuing to maintain several of the smaller field offices of the Department.

## DEPARTMENT OF SAVINGS AND LOAN:

It is the continuing policy of this Department to further innovations in the industry. The Housing and Urban Development Act of 1968 provides a number of innovative approaches to the problems of the cities and the industry is being urged to use this vehicle to solve California's funds flow problems.

Management changes, infusion of capital and merger, where indicated, were encouraged in firms undergoing difficulties. Successful mergers have aided in restoring public confidence in the industry. Supervisory procedures were also changed to foster growth and diversification in sound firms. In 1967 permission to open four more branch offices were granted to California savings and loan associations; in 1968 12 were granted.

### Housing Loans Eased

In order to meet public need, the Department drafted and followed through on legislation to foster lending on low and moderate income housing. This legislation passed in 1968 enables tax credit and special bad debt deduction on conventional loans on moderate and low income family owner-occupied housing. It also provides for the associations to set up special service corporations for acquiring, holding, and lending on housing for moderate and low income families. Legislation for mobile home loans and participation sales were supported and passed by the last session of the Legislature. Regulatory changes were instituted to expand and improve housing stock in California. Training of staff and manuals for their use have developed new procedures which will bring about long-run changes in regulatory framework.

### Economies Practiced

These changes have been accomplished without

increase in the Department's budget and with a reduction in staff from 195 to 173. The examination procedures have been simplified, appraisal practices altered to be more meaningful and the reporting burden has also been reduced. It was through such economies the Department was allowed to reduce assessment to all State savings and loan associations.