

COMMISSION ON CALIFORNIA STATE GOVERNMENT ORGANIZATION AND ECONOMY

11th & L Building, Suite 550
Sacramento 95814



Chairman
D. W. HOLMES
Madera

ALFRED E. ALQUIST
Senator, San Jose

HOWARD A. BUSBY
San Diego

C. E. DIXON
Modesto

JACK R. FENTON
Assemblyman, Montebello

HAROLD FURST
San Francisco

H. HERBERT JACKSON
Sacramento

JAMES E. KENNEY
Pasadena

ANDREW L. LEAVITT
San Mateo

WALTER H. LOHMAN
Los Angeles

MILTON MARKS
Senator, San Francisco

PATRICK D. MCGEE
Assemblyman, Van Nuys

NATHAN SHAPELL
Beverly Hills

L. H. HALCOMB, JR.
Executive Officer

February 17, 1970

Honorable Ronald Reagan
Governor, State of California

Honorable Jack Schrade
President pro Tempore of Senate

Honorable Bob Monagan
Speaker of Assembly

Gentlemen:

In accordance with the provisions of Article 7.5 of the Government Code, the preliminary reorganization plans dealing with the consolidation of the State's health services and with the Department of Professional and Vocational Standards were received by this Commission on January 16, 1970.

Subcommittees of the Commission during this past year have maintained close liaison with task force study groups and departmental officials responsible for the staff work upon which both these proposals are based. In addition, the full Commission was briefed from time to time by the appropriate Agency Secretary and others on the progress of the organizational studies. Finally, the Commission conducted a formal public hearing on January 28, 1970 lasting for more than ten hours, at which time testimony was received from 51 persons representing 32 organizations and professional associations.

This substantial amount of testimony, together with additional source material, was reviewed further by Commission members individually in the time period between January 28 and February 16, when the Commission met in Sacramento for formal action on the proposals.* With minor modifications as set forth below, the Commission recommends that both reorganization proposals be submitted to the Legislature and that they be implemented in the manner prescribed therein.

In approving the health proposal, the members suggest that the proposed merger of the State Board of Health, the Health Planning Council and the Health Review and Program Council into the Allied Health Council be phased over a longer period

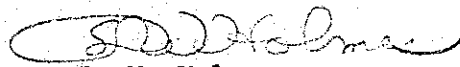
of time with the actual merger taking place at the discretion of the Director of Health. The plan should state, however, that the Allied Health Council would become operational with the duties and responsibilities as set forth in the plan by no later than July 1, 1972.

This Commission's formal interest in the Department of Professional and Vocational Standards dates back to 1965 when it initiated a major study of the use of boards and commissions in that department. The objective of that study was, in part, to determine how best to assure that the public interest was being properly served. In the Commission's judgment, that also is the theme of the suggested conversion of the Department of Professional and Vocational Standards into a Department of Consumer Affairs, along with the other internal organizational changes that have been proposed.

The Commission endorses the proposal that an additional public member be substituted for a licensee member for most of the boards set forth in the plan. We believe, however, that a distinction must be made between boards engaged in the licensing of a profession or vocation and those engaged in regulating a business or industry. In the former, as was observed in our 1967 report on this subject, the major emphasis was placed on setting educational, experience, and character requirements and testing or measuring applicants against these, and on assuring the observance of standards of compliance and professional conduct by licentiates. These standards are best set with major participation by the profession concerned. The reorganization proposal submitted to us continues this relationship. In the regulation of a business, on the other hand, the possession of professional and technical qualification by the applicant as a precondition to obtaining a license either is not a factor or those qualifications are limited to proof of financial assets, good character, understanding of the laws relating to the business, and the like. Also, the public is being protected primarily against fraud or misrepresentation rather than incompetent practitioners. Here, it would not be in the public interest to place authority in the hands of the industry. We suggest, therefore, that for such boards public members be substituted for licensee members, in the manner set forth in the plan, until the majority of members would be non-licensees.

Both of the proposed reorganization proposals are in the public interest and further meet the goals of this Commission in that they will remedy problems of overlap, fragmentation and confusion. We will be pleased to assist you in whatever way deemed appropriate in bringing about their early implementation.

Sincerely,



D. W. Holmes
Chairman

* A transcript of the official minutes of the meeting of February 16, 1970 indicating specific Commission action will be forthcoming within the month.