

## COMMISSION ON CALIFORNIA STATE GOVERNMENT ORGANIZATION AND ECONOMY

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May 16, 1975

Honorable Edmund G. Brown, Jr.  
Governor, State of California

Honorable James R. Mills  
President pro Tempore, and to Members of the Senate

Honorable Leo T. McCarthy  
Speaker, and to Members of the Assembly

Gentlemen:

On March 25 Governor Edmund G. Brown, Jr., transmitted to this Commission Reorganization Plan #2 for our consideration, review, and recommendation. The Reorganization Plan as submitted on that date would consolidate the Divisions of Labor Law Enforcement and Industrial Welfare in the Department of Industrial Relations into a Division of Labor Standards Enforcement. In addition, the Plan would have modified the Industrial Welfare Commission through the transfer of the Commission's functions, authorities, and responsibilities to the Director of Industrial Relations.

The Commission held a public hearing on the Plan on April 16. Testimony was received from representatives of labor, management, employer associations, and employee associations. Although reflecting general support of the consolidation portion of the Plan, the testimony presented strong objections to the proposed change in the statutory authority and responsibility of the Industrial Welfare Commission.

Prior to the Commission's second public hearing on May 1 on the reorganization proposal, the Commission received a modified reorganization plan. The portion of the original Plan which involved the reorganization of the

May 16, 1975

Industrial Welfare Commission was deleted from the proposal. Therefore, the reorganization plan before the Commission on May 1, and that submitted to the Legislature, referred only to the merger of the two divisions. This revised plan now parallels a recommendation made in 1969 by this Commission when it conducted an organizational and management study of the Department of Industrial Relations. The Commission has not recommended in the past that the quasi-legislative and other functions and authority of the Industrial Welfare Commission be transferred to the Director of Industrial Relations.

The Commission concurs with the proposed consolidation and recommends that the Legislature allow Reorganization Plan #2 to take effect in accordance with Section 12080.5 of the Government Code. The Plan in our opinion will result in a more economical and efficient operation and the consolidated division will be able to better serve both management and employees.

Respectfully,

A handwritten signature in cursive script, appearing to read "Manning J. Post", written in dark ink.

MANNING J. POST  
Chairman