

COMMISSION ON CALIFORNIA STATE GOVERNMENT ORGANIZATION AND ECONOMY

11th & L Building, Suite 550
Sacramento 95814

*Chairman*

D. W. HOLMES
Madera

Vice-Chairman

MANNING J. POST
North Hollywood

HARRY BLACKMAN
Beverly Hills

HOWARD A. BUSBY
San Diego

JACK R. FENTON
Assemblyman, Montebello

HAROLD FURST
San Francisco

H. HERBERT JACKSON
Sacramento

JAMES E. KENNEY
Pasadena

STANLEY E. McCAFFREY
Berkeley

MILTON MARKS
Senator, San Francisco

PATRICK D. McGEE
Assemblyman, Van Nuys

GEORGE MILLER, JR.
Senator, Contra Costa County

NATHAN SHAPELL
Beverly Hills

L. H. HALCOMB, JR.
Executive Officer

April 2, 1969

Honorable Ronald Reagan
Governor, State of California

Honorable Hugh M. Burns
President pro Tempore of Senate

Honorable Bob Monagan
Speaker of Assembly

Gentlemen:

In accordance with the provisions of Chapter 1540 of the Government Code, Reorganization Plans No. 1, No. 2 and No. 3 of 1969 were submitted to this Commission on March 4, 1969 for study and recommendation. Commission members commenced their individual analysis immediately and were further briefed by Agency and Department of Finance representatives at the Commission meeting of March 20, 1969.

The three plans are concerned in part with certain activities of the Executive Branch which have been the subject of previous Commission study. The action contemplated by the Plans is in accord with the principles and policies set forth in past statements by this Commission. Our review and analysis, therefore, was facilitated considerably by our prior understanding of the subject matter as well as the objectives of the three plans.

Although the main thrust of the plans is not directed toward the attainment of further economy, it will, in our opinion, result in better-administered and coordinated programs, which have been established in the public interest, through more effective, consistent and controlled executive processes. We recommend that the Plans, as submitted to the Legislature on March 5, 1969, be accepted and implemented in the manner prescribed therein.

The Reorganization Plans of 1969 constitute only the second use of the Reorganization Authority granted by the Legislature to the Governor in 1967. That authority, initially proposed

by this Commission and presented to the Legislature as SB 296 (Way), will expire on December 31 of this year unless extended by the Legislature. We remain firm in our belief in the soundness of the premise which led to the Legislature's granting Reorganization authority to the Governor. We urge its extension for an additional two years so that further economies and improvements in the executive process, a shared responsibility of both the Governor and the Legislature, may be similarly initiated. The administration-supported measure to extend this authority, SB 674, is again authored by Senator Howard Way.

There are many boards and commissions of even greater significance and import than those included in Plan No. 1 that can be consolidated, absorbed by established executive departments, or eliminated altogether. Other organizational changes are still to be implemented if further efficiencies and economies are to be achieved. We recommend that the Governor consider the Reorganization Plans of 1969 as merely the first steps in this direction.

Plan No. 2 also represents a subject of Commission study in prior years (1965, 1967) and constitutes recognition of new responsibility of natural resource management through reorientation of the Department of Harbors and Watercraft to ocean-related activities. We concur with this judgment and recommend that the Legislature permit its implementation.

This Commission, in 1965, initiated a major study of the use of boards and commissions in the Department of Professional and Vocational Standards. The findings, conclusions and recommendations of that study are contained in our report published in September, 1967.* That department is also the subject of Reorganization Plan No. 3 of 1969. The Plan should serve to strengthen the Department's operations in its service to the regulatory and licensing boards. None of the proposals contained in this Plan in any way conflict with the recommendations contained in our 1967 report. The Plan, therefore, has the unanimous approval of the members of this Commission. The members believe, however, that many additional recommendations contained in the Commission report as well as the report of the Governor's Survey on Efficiency and Cost Control that are not a part of Plan No. 3 should be further reviewed for inclusion in the next reorganization plan to be submitted to the Legislature.

This Commission has either sponsored or supported legislation to establish a unified Department of Revenue since 1964 when our first report on this subject was released. In a letter dated December 12, 1966 to Governor-Elect Reagan we commented that:

"In 1964 this Commission proposed that the consolidation of revenue administration activities in the California State Government be achieved through the establishment of a strong Department of Revenue with a Director appointed

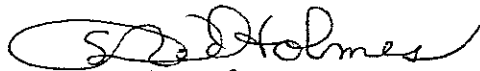
* "An Examination of the Department of Professional and Vocational Standards", September 1967.

by and responsible to the Governor. We observed at that time that the desirability of consolidating all or most revenue collection activities within a single department was not new. For the first time, however, those officials with principal responsibility for some aspect of the presently fragmented system of revenue administration concurred that the unification of revenue administration activities would result in substantial economy as well as taxpayers' convenience. We now urge consideration of and favorable action on this plan--probably the most important executive reorganization measure to be brought before you in 1967."

We reiterate our conviction that revenue administration consolidation deserves the top-most reorganization priority. We also stress that this proposal continues to receive our unqualified support. We urge the Legislature to give favorable consideration during this current session to AB 2 (Bagley) and related measures which accomplish such a consolidation.

Governor Reagan indicated in his Reorganization Message of 1969 that he would support legislative proposals this year to remedy problems of overlap, fragmentation and confusion in the health field. A subcommittee of this Commission in concert with the Chairman and staff of the Assembly Committee on Public Health has also concluded, after many months study, that there is a pressing need for basic organizational change if problems of program overlap and fragmentation of executive effort are to be eliminated. This Commission looks with favor upon study and analysis leading either to modification of existing structures or major functional consolidation. We believe that these should be the initial steps toward attaining the stated objectives of achieving maximum benefit from resources expended on the public aspects of health. We shall continue working with administrative and legislative forces in this direction.

Respectfully submitted,



D. W. Holmes
Chairman