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AGRICULTURE AND SERVICES AGENCY

1220 N Street
Sacramento 95814

March 6, 1969

Honorable Lt. Governor Reinecke
President of the State Senate
State Capitol

Honorable Robert T. Monagan
Speaker of the State Assembly
State Capitol

Gentlemen

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

The Agriculture and Services Agency was established by the Governor's reorganization plan No. 1 of 1968 and includes the following departments:

- Agriculture
- Commerce
- Employees' Retirement System
- Fire Marshal
- Franchise Tax Board
- General Services
- Professional and Vocational Standards
- Teachers' Retirement System
- Veterans Affairs

Administrative action has established liaison between this agency, the State Personnel Board, Management Services and the Consumer Counsel.

Agency Goals

The primary goal of the Agriculture and Services Agency is to provide policy guidance and effective communications between the Governor and the assigned departments. The following policy statements have been formulated for implementation within this framework of potential goals:

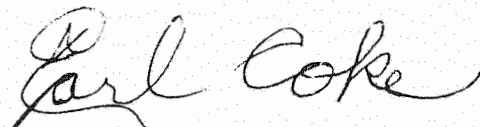
Honorable Lt. Governor Reinecke
Honorable Robert Monagan
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Agriculture and Services

1. Identify, study and recommend solutions to the State's agribusiness problems so as to insure an adequate supply of food and fibre.
2. Promote and protect the economy of the State's agribusiness to the fullest extent commensurate with the public welfare.
3. Within its delegated authority to actively further and protect the health and welfare of the people of the State.
4. Assume active leadership in meeting current agricultural problems and assure that producers, handlers and consumers receive the true weights and measures of commodities and services purchased.
5. Focus regulatory efforts on areas of potential problems to assure public protection while minimizing harassment.
6. Maintain careful surveillance of professional and vocational licensing to protect the California citizenry.
7. Carefully evaluate all government programs to eliminate waste, red tape, inefficiency, and the duplication of private sectors.
8. Key departmental functions are to collect tax revenues, assure veterans' benefits, stimulate economic growth, assure public employee security, provide a fire-safe environment, and assure a public work force.

Attainment of these goals requires not only cooperative governmental action at all levels, but also the support of labor, industry, the private agencies and the individual citizens of the State. We are actively seeking to secure and increase such participation. I have attached the individual reports of the departments of the Agency which will provide additional information concerning their accomplishments and goals.

Sincerely


Earl Coke
Secretary

March 6, 1969

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

DEPARTMENT OF AGRICULTURE

Established in 1919, the California Department of Agriculture this year is celebrating its 50th anniversary. An agency serving the nation's leading agricultural state for the past 20 years, the department has five primary areas of responsibility: (1) to promote and protect the economy of the state's agribusiness industry to the fullest extent commensurate with the public welfare; (2) to assure that producers, handlers and consumers receive the true weights and measures of commodities and services purchased; (3) within its delegated authority, to actively further and protect the health and welfare of the people of the state; (4) to assume active leadership in meeting current agricultural problems; and (5) to identify, study and recommend solutions to the state's agribusiness problems so as to assure an adequate supply of food and fiber.

CURRENT PROGRAMS AND PROGRESS

General Economic Conditions

California agriculture, the State's principal industry, had a record-breaking year in 1968, with new highs in farm production. 40.2 million tons of agricultural products were produced, representing a gross value of \$4.35 billion to the farmers. A long, hot growing season followed by good harvest weather resulted in crops high in both quality and quantity.

The California farmer is still trapped in a severe cost-price squeeze, however, and his net income lags badly behind his gross. The price he gets for his products remains fairly level, but the cost to him of labor, equipment, taxes and supplies spirals higher and higher. So it is increasingly difficult for him to accumulate the cash reserves necessary to finance the improvements needed to keep pace with the rapid advances in farm technology.

The economic health of California agriculture is important to all of us, because the \$4 billion-plus of gross farm income expands into about \$16 billion in value to the State's economy as the products are processed, packaged, stored, shipped, distributed and sold. This year-round agribusiness activity creates a host of jobs and opportunities, and is vital to the continuing growth and prosperity of California.

Meat Inspection

One of the most important responsibilities of any state is to assure its citizens of clean and wholesome food products. California is a recognized leader in this field. And we made giant strides in 1968 to strengthen even further our protection of the meat consumer. Through a cooperative agreement with the U.S. Department of Agriculture, our State Department of Agriculture has closed several loopholes in the law, extended its inspection services into new areas, and is presently providing Californians with the finest meat inspection system in the nation. The same kind of Federal-State program for poultry meat inspection has been approved and will be in effect this Spring.

Protection Against Plant Pests

Losses from harmful insects, weeds and plant diseases, and farmers' efforts to control them, represent a cost of over one billion dollars per year in California--nearly 25 percent of the State's gross farm income.

The damage done by plant pests to California gardens, parks and forests is also costly. Foresters say that losses due to pests exceed losses due to forest fires.

For the past half century we have operated a system of border quarantine stations in an attempt to exclude plant pests from California. This system has been effective in reducing or delaying the entry of such pests.

In recent years, however, the threat of new pest introductions has been increasing rapidly. Vehicle traffic at the borders has tripled in the last 15 years, and it will double in the next 15 years. It is also predicted that within seven years the number of visitors to California arriving by air will equal those coming by land.

To meet these challenges our State Department of Agriculture has proposed a new and highly sophisticated plant pest survey and detection system. The goal would be to find, identify and eradicate new pests before they become widespread. This program calls for the use of all the new weapons science can devise, such as modern aerial sensing techniques and more ingenious methods of trapping, as well as additional research into pest detection methods.

As our capabilities increase in this area, we propose to phase out passenger car inspection at the border stations, which will lose their effectiveness in the face of the enormous increase in traffic and are a source of irritation and delay to motorists entering California. Commercial shipments will continue to be inspected, at the most effective locations.

Details of this proposed plan will be worked out by the State Department of Agriculture after meetings with county agricultural commissioners and with advice from a special committee made up of representatives from a wide cross-section of agricultural interests.

Farm Labor

The year 1968 saw the very survival of California table grape growers threatened by an unwarranted boycott imposed by labor union organizers. The controversy and bitterness caused by this issue have helped no one--certainly not the grape workers.

Agricultural problems of this type must be solved by reason and intelligent action rather than by coercion. California has been, and is today, a leader in the fair treatment of farm workers. Their wages, housing and working conditions are excellent in California as compared with other states. Farm workers are covered by more protective laws in California than in any other state in the nation.

We are proud that this is so, but at the same time we recognize that we cannot serve our farm workers well by being so far in front as to jeopardize the farms which provide jobs.

To resolve this problem equitably, Federal legislation is needed whereby all states may move more promptly to establish uniform standards for farm employment.

In California, meanwhile, all agencies of government will vigorously enforce those laws and regulations now in effect. It would be desirable, also, for the major farm organizations, national and local, to establish written codes of conduct for their members which set up minimum employment standards for wages, hours, rest and meal periods, and housing and sanitary facilities. The involvement of agricultural organizations is important because self-help is usually the best method for improvement. Problems of farm labor cannot be solved by merely passing laws or posting notices.

We in the state government will watch hopefully for signs of progress in these matters. At the same time, we shall review and study any proposed legislative solutions, and will support those measures which we believe are in the public interest.

Milk Pooling

Primarily to eliminate inequities in payments to dairymen by milk distributors and processors, a statewide milk pooling plan has been devised by the California Department of Agriculture. The dairy industry overwhelmingly approved adoption of this plan after extensive public hearings. Details of organization, staffing and

systems are being worked out, and we anticipate this program will be in effect about June 1. The result should be to create economic conditions more stable and equitable for all California milk producers.

Milk Prices

For the past several months, the Department of Agriculture has been conducting an intensive study of the economics and trade practices in the milk industry. This continuing study involves public hearings in milk marketing areas throughout the State. As a result, the Department has been able to reduce minimum wholesale and minimum retail prices of milk in many parts of the State without reducing the price to the producer. This is made possible by the considerable savings in distribution costs by efficient milk distributors and large retail chains. The milk consumer in California is now sharing in these savings through lower milk prices.

Statistical Sampling

One of the Department's most important functions is the inspection of agricultural products for compliance with California law. This is done through sampling of lots or shipments of produce. Recognizing the limitations of time and manpower, the Department of Agriculture is conducting an aggressive and innovative campaign to review the statistical validity of each of the many commodity sampling programs. The result will be to assure the most economical and valid application of the sampling manpower available.

March 6, 1969

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

DEPARTMENT OF COMMERCE

The administration during the past two years has initiated numerous executive and legislative programs to improve the "climate" for business and industry in California. An important step in this direction was the creation of a Department of Commerce to provide a means of aiding in the coordination of state and non governmental programs pertaining to tourism, world trade, and industrial and business development.

Divisions of the Department now include: World Trade Division, Office of Tourism, Division of Economic Development, and the Museum of Science and Industry.

Overall objective of the Department of Commerce is to provide state level assistance to ensure the continuing growth of the state's industry, commerce, and agriculture. To this end the four key elements of the Department's program place emphasis on:

-- Aiding the expansion of California's world trade in natural and processed products by identifying trade opportunities, disseminating trade information, and assisting in trade promotion activities.

-- Relating the activities of regional and local organizations engaged in the promotion of tourism to develop and maintain a concerted statewide program for attracting an increasing number of visitors to California from other states and foreign nations.

-- Providing information, in confidence if requested, which will help prospective investors to evaluate the suitability of a California location for a new or expanded business or industry.

-- Contributing to the development of a more favorable business climate through investigations of special problems that may be affecting economic growth and development.

It should be noted that California's extensive geographical area and the diversity of its economy has given rise to numerous local and regional, public and private organizations to promote the development of the state's economy. Each, however, provides services limited by the area of its jurisdiction or interest.

The Department of Commerce provides information and services of a statewide scope to insure that all essential assistance is available on behalf of expanded world trade, tourism, commerce, and industry.

CURRENT PROGRAMS AND PROGRESS

WORLD TRADE DIVISION

Single Authority Established

An initial act of the new department was to re-evaluate the programs of the World Trade Authorities. Last year legislation was enacted to establish a single statewide California World Trade Authority. For a number of years, the world trade program has been organized into three largely autonomous groups: an authority each in Los Angeles and San Francisco and a World Trade Authority Coordinating Council.

Two Offices Closed

Taking note of the recent transfer of the Port of San Francisco to the City-County of San Francisco and the plans of a citizen group in Los Angeles to build a world trade center there, it was decided to close the state's two small world trade offices in those cities. A statewide office has been established within the Department at Sacramento.

New York Office Planned

A proposal will be submitted to open a single office in the New York World Trade Center to establish day-to-day contact with the commercial attaches and the exporters-importers of most of the nations trading with America.

Restrictions on Exports to be Examined

The Division will continue to examine and act on regulations and restrictions imposed by foreign governments on the sale of certain California products abroad. Such restrictions, which have the effect of a tariff, place these California exports at a competitive disadvantage.

OFFICE OF TOURISM

Private Sector Helps Print California Brochure

The Office of Tourism is giving increased emphasis to cooperative projects with the private sector. An example is the recently

published four-color, statewide promotional brochure describing outstanding tourist attractions. The folder was printed by a California airline company at a price $2\frac{1}{2}$ times lower than bids from private firms and the State Office of Printing.

Similarly, a restaurant paid 75 percent of the printing bill for 25,000 copies of a multi-colored postcard now being used by the Office. The Office annually distributes some 400,000 pieces of tourism literature out-of-state and prepares numerous news releases and magazine articles.

California Exhibit Financed by Donations

Acting as a catalyst and project coordinator for state-private sector ventures, the Office has obtained donations from private industry to entirely finance an \$8,000 exhibit which is being used in the state's first participation in major U. S. Travel shows in Los Angeles, New York and Chicago. The Office will provide staffing at the shows, but the cost of the exhibit is being borne by such tourist-oriented groups as regional promotional organizations, hotels, motels, bus and railroad companies, airlines, oil companies, utilities, boards of trade, individual attractions, tour companies, and more than 30 local chambers of commerce.

Travel Study to be Updated

During 1968 the Office also awarded a \$10,000 contract to Economic Research Associates of Los Angeles to compile information on the travel patterns of out-of-state visitors and the economic impact of tourism in California. The study will update an earlier \$150,000 research project on California tourism industry funded largely by the Federal Government. The continuing study is expected to encourage increased investments in tourism facilities and to permit more effective planning of public and private tourism programs.

Foreign Language Brochure Sought

Future projects under consideration include publication of a California tourism brochure in several foreign languages. The brochures would be placed in the seven worldwide offices of the United States Travel Service to encourage more foreign travelers to visit California. Possible joint state and federal funding for the publication is being investigated.

DIVISION OF ECONOMIC DEVELOPMENT

Site-Location Data Provided

The Division responded to 1,163 requests for site-location information (employment, wages, taxes, industrial sites, transportation, utilities, community services, etc.), marketing statistics, and general business information. The requests came from two sources: from businessmen and industrialists who during 1968 were evaluating the feasibility of locating facilities in California; and from other persons and organizations seeking business-oriented information.

Nevada's Tax-Free Warehousing Examined

The Division prepared a report on the extent and impact of the tax-exempt warehousing and assembly in Nevada which has resulted from that state's exemption of a tax on business inventories. The report was prepared to help the administration evaluate the need for a reduction in the tax on business inventories in California.

New Industry Report Underway

In cooperation with the Department of Employment and the California State Chamber of Commerce, the Division has begun a system to obtain data on newly-registered manufacturing firms in California. For the first time information is available on the number, type, and county of location of all manufacturing firms which registered during 1968. Findings of the first year's tabulations will be released soon. The current data will be expanded to include number of jobs created, annual payrolls and capital investments in plant and equipment.

Standard Business Index Needed

In cooperation with the private sector, the Division will initiate and coordinate the preparation of a standardized business index for measuring condition and growth of the state's economy. Various private and government groups now publish differing economic indicators, but there is no acceptable, uniform, state-wide index available to accurately measure the state's economic health and trends.

Division to Seek Earlier Release of Federal Data

The Division will spearhead efforts to identify data prepared by the U. S. Department of Commerce and other federal agencies which should be released earlier to permit improved economic analysis, forecasting, and decision-making at the State level.

The Economic Development Division will encourage action by other state development agencies, trade associations, and Congressional representatives to speed preparation and release of data and to make such publications more responsive to the needs of the states.

"Doing Business" Booklet to be Published

The Division will prepare a publication on "Doing Business in California." Businessmen and industrialists investigating California's potential for new commercial, manufacturing or distribution facilities frequently request information on state regulations, laws, and fees, etc., involved in establishing a new business. No such statewide publication is available.

MUSEUM OF SCIENCE AND INDUSTRY

The Museum of Science and Industry started two new programs in fiscal 1967-68 centered about the extension of education facilities and increased community involvement in museum activities.

Health Exhibit Opened

Opening of the new Hall of Health building and exhibit launched an outstanding human physiology presentation. The 8,000 square foot permanent exhibit provided the general public and more than 130,000 touring students with a dramatic and exciting acquaintance with the wonders of biology. As part of the presentation, youngsters also learned about the dangers of narcotics and addictive drugs. This program will be extended by using the exhibit as a tool in the Governor's program to enlist the support of service clubs, PTA's, and other community organizations in the fight against consumption of addictive drugs.

Citizen Support Groups Formed

Three citizen support groups, each representing a vital segment of the community were formed.

The Muses, a senior women's group of more than 50 prominent members, has assumed the financial support of the 3,000 plus student Summer Science Workshop Program, the Junior Science Symposium, the Math Seminar, and other special educational programs for science-oriented youngsters.

The Associate Board of the California Museum Foundation, comprised of 36 youthful executives from the professions, arts, and business now offer to the senior board a flow of ideas and direct assistance to enhance the Museum's programs of temporary exhibits, promotion, and community involvement.

And the Docents, some 200 young professional women, are serving as year around volunteer Museum guides.

Space Museum Proposed

Future projects include a proposed Space Museum designed to describe the universe and its relation to man's efforts to explore and conquer space; a Physics and Chemistry Exhibit; a working nuclear reactor with facilities where junior and high school students can conduct experiments; and a 500-seat auditorium adjoining the museum complex.

Health Hall Expansion Planned

Also planned is an expansion of the Hall of Health Building which will permit permanent exhibits to educate visitors on problems of public health. Each exhibit will be sponsored by specialized health organizations, such as the American Cancer Society and the American Heart Association.

And during fiscal 1968-69, the Museum will serve as a staging area for exhibits relating to the observance of California's bicentennial.

March 6, 1969

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

OFFICE OF CONSUMER COUNSEL

Involvement of all sectors of society are required to solve consumer problems in a creative, constructive manner and on a long range basis. Toward this end, the Consumer Counsel has worked with government officials, business and professional organizations, individual consumers and consumer organizations in a consistent effort to strengthen the consumer-business-government relationship. The Consumer Counsel views her role as that of a catalyst causing those agencies of government which have regulatory and enforcement powers to act only when there is evidence of fraud or misrepresentation, violation of existing laws, or when business deliberately abdicates its responsibility.

CURRENT PROGRAMS AND PROGRESS

The Consumer Counsel continues to help promote dialog and understanding among consumers, business and government interests, hopefully to bridge what appears to be a communication gap. While stressing the need for vigorous enforcement of consumer protection laws and for business to take the initiative by anticipating consumer demands, the Consumer Counsel also encourages the consumer to understand his rights and privileges as a partner in the economic system.

The Consumer Counsel continues to function as an advisor to the Governor on issues of importance to the consumers of California, to receive reports from consumers on a wide variety of consumer problems and requests for information or educational material. A total of more than 1,400 requests and reports have been received in the past two years. These letters contain reports of fraudulent or unethical business practices, complaints of inefficiency, fraud, and overcharging on automobile and appliance repairs, protests on the increases in the cost of living and high interest rates and unfair or misleading packaging, labelling and advertising.

All reports are first referred to the business or industry involved and most are satisfactorily adjusted at that level. When there appears to be evidence of fraud, misrepresentation or other illegal practices, the complaint is referred to the federal or state governmental agency having enforcement or regulatory authority. Copies of all reports and complaints are filed and used for advising the Governor and the Legislature on needed corrective legislation or regulation.

During the past two legislative sessions the office has prepared, and made available upon request, a list of proposed legislation of direct interest to consumers. The office also conducted research on bills and made information available to those who requested this service.

The increasing complexity of the market place, the proliferation of consumer protection laws and the widespread use of credit are some of the factors which contribute to the continuing need for consumer education in the following areas: (a) family economics, so that the consumer can obtain the highest standard of living possible from his available resources; (b) wise use of credit and its effect on the living standard and financial security of the individual; (c) existing consumer protection laws and sources of assistance through federal or state regulatory and enforcement agencies; (d) rights, privileges and responsibilities of the consumer as a partner in the economic system.

The Consumer Counsel is working closely with the community relations consultants at the State Service Centers in an effort to solve some of the problems that confront consumers in low income areas, and with the cooperation of business and industry, an effective program of education and involvement is currently under way.

Surveys that have come to the attention of this office indicate that if, indeed, the "poor pay more," it is because it is often necessary for them to shop at so-called "mom and pop" stores rather than the large supermarkets. The Consumer Counsel has encouraged supermarkets to open branches in the so-called "disadvantaged" areas and has also been instrumental in bringing supermarket management together with community relations consultants for the purpose of discussing and working out consumer problems in those areas.

It was noted that very often welfare recipients could not readily get their checks cashed at other than small, independent stores where a fee is charged and where it is assumed the consumer will do his shopping. The Consumer Counsel is publicizing the recently enacted legislation making it possible for consumers to obtain identification cards (other than a driver's license) from the State Department of Motor Vehicles.

Steps have been taken to encourage industry, in cooperation with the Consumer Counsel to take an active interest in consumer protection through consumer education which we believe to be a potent creative alternative to what has been described as a proliferation of regulatory legislation at the federal and state levels of government.

The Consumer Counsel, in cooperation with the Division of Adult Education of the Los Angeles city schools, has been assigned to a series of six half-hour television productions on issues which relate directly to consumers. These will include how to purchase and obtain repairs to automobiles, family law, purchase and care of fabrics, real estate rental and purchase, etc.

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STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The California Public Employees' Retirement System provides and administers a broad range of retirement, health insurance and Social Security benefits for a large segment of California's public employees.

A series of retirement, death and disability benefits for State employees, all classified school employees (excluding those of the City and County of San Francisco) the employees of 260 cities, 34 counties and of some 270 other public agencies constitutes the System's major programs. From 40 to 60 public agencies are brought under contract for retirement purposes each year. This State-wide retirement system operates on a reserve, or funded, basis with the result that nearly one-third of the cost now comes from investment income. In close coordination with retirement action are the coverage and reporting phases of the Federal Social Security program for California's public agencies, which provides Social Security coverage for some 390,000 employees of 2,570 California public agencies.

Multiple choice plans of both basic and major medical insurance are developed and administered for State employees and, as a result of recent legislation, for employees of public agencies by contract.

CURRENT PROGRAMS AND PROGRESS

Retirement Benefits

Almost 400,000 public employees in California participate as potential recipients in the benefits that are provided. Unfortunately, the level of benefits provided varies from employer to employer.

In cooperation with the local jurisdictions, we look forward to the time when a common level of benefits, sufficiently high to provide a realistic benefit will be available to all our recipients. A small step in this direction was achieved in 1968 when a modest increase, related to the cost-of-living index, was incorporated into our benefit structure. This increase was not just a "one-time" feature but will be automatic in the future as it relates to the 48,000 presently retired employees together with those who will retire in the future. This benefit is being provided by increased fund income due to improvements in investment policies and practices.

Health Insurance

Absenteeism due to sickness or illness and the resulting costs of the employer have long been a problem to both private and government organizations. One effective method of reducing these costs is to encourage and make it possible for employees to take advantage of available medical measures and to seek treatment at the first appearance of symptoms indicating illness or disease. Income maintenance to the employee who faces high medical costs is equally important.

From a governmental rather than an employer viewpoint, we must also consider the problems faced by those who retire. Usually they are an older group more apt to incur medical expenses and usually suffer a decrease in coverage at a higher cost, or in some cases, total loss of coverage, upon termination of employment.

Our basic plans provide equal benefits for the retired persons at the same cost as for present employees. We are one of the few employers throughout the nation who initially provided equality of treatment between employees and annuitants. Coverage under these plans now extends to over 100,000 employees and 16,000 annuitants. Despite significant increases in medical costs, the premiums in our two largest plans were either held level or decreased this year.

Recently, participation in our health benefits plans has been extended to those public employers who contract with us for retirement coverage.

Late in 1968, major medical plans, providing true catastrophic benefits were developed and offered to our members. Over 20,000 persons enrolled immediately and we expect this number to increase to 40,000 in the near future. The premiums for these plans were realistic in terms of the coverage.

Further advances are needed in coping with the continuing increase in cost of medical and hospital services and in providing increased employer participation in the premium cost.

Economic Impact

As a public function, the employer contributions must rely upon tax revenues as a source of funding. However, such revenues eventually are returned to the economy of the country with the major impact within the State.

There are three major ways in which this occurs. The ultimate payment of benefits tends to reduce demands on other social benefits provided by government to those in need. Each year the monies paid in benefits is returned to the economy by way of the recipients' purchasing power. In 1968, monthly payments were made to 48,000 persons, predominately California residents, totaling \$145 million.

Last, and perhaps most important, the employer and employee contributions held in trust (now in excess of 3 billion dollars) have a strong emphasis on California's economy. These funds are invested in a wide variety of holdings with current heavy emphasis on common stocks which were purchased for the first time in December, 1967.

During the last five years over \$600 million has been placed in California mortgages and this will continue, based on the present market conditions, at an annual rate of about \$150 million for at least the next five years.

The revenue produced by the fund is now funding nearly one-third of the total retirement costs. The remaining two-thirds is split between employee contributions and employer contributions.

March 6, 1969

STATE OF THE AGENCY MESSAGE
AGRICULTURE AND SERVICES AGENCY
DEPARTMENT OF STATE FIRE MARSHAL

The responsibility and objective of the State Fire Marshal is to protect the lives and property of California citizens from the effects of fire, panic, and explosion. This responsibility is fulfilled through the establishment and enforcement of regulations regarding fire, panic, and explosion safety.

A coordinated program for administering state fire safety laws, rules and regulations has been established between the office of the State Fire Marshal and local city, county and district fire officials. This coordinated program was made possible by the creation of the State Fire Advisory Board in 1945. The State Fire Marshal, with the assistance of this board, develops fire safety standards and administers and enforces these standards. Through the board, it has been possible to develop uniform state-wide standards of fire safety and provide for their administration and enforcement without creating overlapping authority and duplication of effort, and at the same time preserve local autonomy.

Design drawings and specifications of public and private buildings are reviewed for conformance to minimum fire safety regulations and standards. Field enforcement assures continual conformance through on-site inspections. Materials and equipment which conform to fire and panic safety regulations and standards for building construction are compiled and published annually.

The State Fire Marshal also establishes regulations relating to fireworks, explosives, portable fire extinguishers, decorative materials, wearing apparel, and flammable liquids. In addition the State Fire Marshal maintains a laboratory for research and for the testing of various construction and other flammable materials.

CURRENT PROGRAMS AND PROGRESS

Uniform Hospital Fire Safety

Due to the construction of many new hospital facilities in California and the rate of hospital employee turnover, the problem of fire safety oriented hospital personnel is critical in many areas of the State.

Today, however, all hospital employees in California are embarked upon a uniform fire safety training program which, over a period of time, will encompass most of these employees wherever they may locate within the State.

This program, developed by the State Fire Marshal in cooperation with the State Department of Public Health, will provide a state-wide standardized level of safety beneficial to both patients and employees alike. The program has received such widespread attention that ten other states have requested copies of the training material and details of the entire program and have indicated they intend to adopt the same program.

Within the more than 1,700 hospitals, nursing homes, and similar patient care facilities in California, an average of 110,000 patients annually will be the ultimate beneficiaries of the program.

Family Care Homes

Because of the change of emphasis in the mental health program, directed toward getting people out of institutions and into an environment more nearly that of the family home, and the need to house juveniles in other than custodial or correctional facilities, there is a constant need for people who will open their homes to these purposes.

There was, however, a problem in that the regulations of the State Fire Marshal imposed certain restrictions, sometimes hard to accommodate, upon these homes.

Recognizing this problem, the State Fire Marshal, after securing the cooperation and advice of the appropriate state agencies and meeting with the organizations operating programs of this type throughout the State, has written regulations for the purpose of providing reasonable fire and life safety in family care homes, licensed or certified to care for six or less persons, and, insofar as possible, at the same time preserving the basic concept of a private family home.

By doing so, there will now be available many more homes for those people coming out of our institutions and for those juveniles in need of a foster home.

Regulation of Explosives

Some years ago a truck loaded with dynamite and a blasting agent, formulated out of ammonium nitrate, caught fire and exploded in the city of Roseburg, Oregon. Death and destruction were widespread. Subsequent investigation revealed it was common practice not to include blasting agents when computing the amount of explosive material that could be stored or transported and, in fact, normal explosives regulations did not apply to these blasting agents.

Blasting agents are nitro carbo nitrate substances, usually ammonium nitrate, mixed with certain organic compounds. One of the problems was that ammonium nitrate has such widespread use in agriculture as a fertilizer there is a tendency to overlook its explosive qualities when formulated as a blasting agent.

Because blasting agents are materially less expensive than dynamite or other explosives, and because they are considerably easier to work with, they are gaining widespread use in quarry operations and highway construction. Consequently, the law relating to explosives was rewritten to include blasting agents among all other explosive materials. At the same time, the law was also strengthened in the issuing of permits and in the use, storage, and transportation of all explosives so as to preclude the possibility of explosives getting into the hands of unauthorized or unreliable persons. Better safety will be provided without restricting the legitimate use of explosive materials.

Fireworks Kits, Emergency Signaling Devices, Model Rocket Engines, and Agriculture and Wildlife Fireworks

California has long enjoyed one of the better state laws regulating the use of fireworks. This law provides for the use of certain closely inspected and regulated "safe and sane" fireworks but prohibits the use of "dangerous fireworks."

Over the past few years, however, there has been a growing trend to make available, through advertisements in several national magazines, materials and explosive substances that could be mixed or assembled into dangerous fireworks. Also, these materials could be obtained within the State. Numerous injuries were the result of these so-called fireworks kits.

Consequently, the law regulating fireworks was amended, prohibiting the sale of any assembly of materials or explosive substances which are designed or intended by the seller to be assembled by the person receiving the material or explosive substance into dangerous

fireworks. This prohibits the sale of such material and explosive substances within the State. Taken into consideration with a federal law that prohibits their shipment into a state which forbids their use should remove the availability of these materials and substances and should reduce the injuries that were occurring.

At the same time, recognizing the need for emergency signaling devices for use by aircraft, boats, and outdoorsmen, a simplified method of approving such devices was adopted and the fee for their manufacture, export, import, or sale was reduced.

Also, because of their need by the farmers, the fee to manufacture, import, export, or wholesale agriculture and wildlife fireworks was reduced.

In addition, because of the growing interest in outer space and the development of scientists, model rocket clubs are on the increase. To make available a wider variety of rocket engines to these clubs, the fee to manufacture, import, export, or wholesale these engines was reduced.

By these changes, greater safety will be provided while at the same time making available at a reduced cost those products in which there is actually a need.

Protecting California's Educational Facilities Against Fires

During 1968 hundreds of thousands of dollars worth of school, college, and university properties were destroyed by fires of incendiary origin. While exact figures are not available, there has been an alarming increase each year of this type of fire involving our educational facilities. The very recent incidents and losses incurred on the campuses of the University of California at Berkeley, San Fernando State College, and San Francisco State College have accentuated the issue.

Although there does not seem to be an immediate solution or cure available, since there appears to be a relationship between these fires and the overall socio-economic problem existing today, the State Fire Marshal is studying the feasibility of reducing these large losses by means of the installation of early detection and warning devices or by fixed fire extinguishing systems.

The total problem, including a comparison of the fiscal impact of cost and loss factors, will require a very careful and comprehensive study and analysis.

March 6, 1969

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

FRANCHISE TAX BOARD

The Franchise Tax Board is responsible for the administration of three laws, the Personal Income Tax Law, the Bank and Corporation Franchise Tax Law, and the Senior Citizens Property Tax Assistance Law.

The Bank and Corporation Franchise Tax was first imposed in 1929 and the Personal Income Tax in 1935. The Senior Citizens Program took effect for the first time in 1968.

CURRENT PROGRAMS AND PROGRESS

MAJOR CHANGES IN TAX LEGISLATION

When a Legislature enacts major changes in an income tax law, the impact is felt immediately by the agency which administers the law and later, during filing time, by the public.

The impact of Senate Bill 556, enacted during the 1967 legislative session, can be shown by comparison of revenue collected during 1966-67 fiscal year and 1967-68 fiscal year when the provisions of SB 556 were in effect.

During the 1966-67 fiscal year, the department collected \$500 million in Personal Income Tax and \$452 million in Bank and Corporation Tax for a net total of \$952 million. In contrast, Personal Income Tax collected during the 1967-68 fiscal year was \$951 million; Bank and Corporation Tax was \$579 million for a total of \$1.53 billion.

This increase in revenue caused many added problems for the taxpayer and added responsibilities for the administering department. For example, part of the new tax law involved a personal income tax estimate payment for certain taxpayers. In a very short time, the department had to locate the taxpayer liable for estimate payments, prepare and send out billings, and also educate them to the necessity for this new program in order to obtain compliance.

The initial results were satisfactory, bringing in \$131 million by the October 31, 1967, filing deadline. Matching returns filed with estimate payments represented a major new function complicated in many cases by individuals using different social security numbers on documents meant to match.

RESULTING COMPLIANCE PROBLEMS

Because of the changes in the tax structure, almost every taxpayer found his liability to be considerably heavier in April of 1968 than it had been previously. This left many individuals either unable or unwilling to pay their liability in full on April 15.

From this point forward, the impact of the new legislation was felt by the compliance sections which were faced with the task of collecting delinquent accounts. Considerable effort was put into this phase of operation in an effort to educate the delinquent taxpayers in order to prevent recurrence during the 1968-69 filing period.

SENIOR CITIZENS PROPERTY TAX ASSISTANCE PROGRAM

The Senior Citizens Property Tax Assistance Program functioned very well during its initial year, 1968, and nearly eight million dollars was returned to 58,000 qualified claimants. All claims paid last year have been stored on computer tape, and during the filing season this year, forms will automatically be mailed to the eligible claimants who filed with us originally. This should accelerate the filing and handling of claims during 1969.

WORK STANDARDS PROGRAM

In 1966, this department was authorized to initiate the installation of a program of using engineered work standards. Work standards systems identify how much time operations should take as contrasted to the historical standards which identify how much time they did take. The program was intended as, and has been, a pilot program for application in other areas of State government.

Through the program, the department is achieving improved effectiveness through better manpower planning and scheduling. It is also able to effect orderly adjustments between manpower and workload while executing a highly variable number of functions.

Savings on the last completed fiscal year, compared with the costs of carrying out the program, are indicative of the progress being made. The program cost \$189,000 during fiscal year 1967-68, and realized savings of \$403,000. This resulted in a net saving of \$214,000. Most of this was accomplished through the abolition of 93 permanent positions as well as the absorption of normal workload increases for the 1968-69 year. This latter represents an estimated 24 equivalent positions. Work improvements, although relatively intangible, are an additional source of savings.

These savings represent a major accomplishment when it is considered that this program was established and developed during the same period that the department was coping with the added administrative responsibilities and procedures resulting from the major tax changes introduced with the passage of Senate Bill 556.

March 6, 1969

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

DEPARTMENT OF GENERAL SERVICES

From its inception, the Department has been dedicated to the concept of better business methods in State government. The framework has been provided to assure continuing improvements by consolidation of administrative functions and the centralization of operating services. Appropriate liaison has been established with all client agencies to assure a continuation of essential services formerly provided by themselves. Emphasis has been placed on both immediate and long range planning to improve internal operations and management information systems.

The prime objective of the Department is to make the maximum contribution possible to the operating efficiency and economy of all agencies, departments and organizations of State government. The Department's policy is to accomplish the goal by continuing improvement in the quality of its services combined with judicious and moderate exercise of its various statutory controls, powers and authorities.

The Department is pursuing its goals by the development and application of uniform standards and administrative policies throughout State government. Centralized purchasing, stringent contract administration, and the expertise of highly qualified staff specialists have provided agencies with services which would be difficult for them to justify individually. By placement of these responsibilities under a central control, State agencies are better able to concentrate their time and effort on their principal missions.

In law, and in practice, the Department of General Services has a dual role. An obvious role is to provide a variety of services to other State agencies more efficiently and economically than they can provide for themselves. The Department also has the responsibility of providing leadership in the improvement of Statewide administration.

Progress has been realized by increasing workload without adding staff, by raising the quality level of service, and by making improvements that have resulted in substantial savings. Although the Department feels it is making substantial progress toward meeting the established goals, there is still much to be done. The scope of the departmental activities is dictated by the development of the State and its ever-growing population. The Department is striving to further improve its communications with all State agencies so that their requirements may receive prompt and effective solutions.

The Department assumed 217 Task Force recommendations estimated to produce savings of \$50.6 million. 122 recommendations have been implemented, 89 are in process of implementation, and 6 require legislative approval. The Task Force savings can be exceeded in the foreseeable future. It is believed that \$80 million or more is a possibility when other departmental economy plans underway are fully implemented. From 1 February 1967 to 31 December 1968, in carrying out the Governor's program, direct, indirect and deferred savings of more than \$40 million have been realized in its areas of responsibility.

As the sixth largest Department in State government, the activities and accomplishments are extremely diversified. In many instances, the public is unaware of the scope of the complex departmental responsibilities. General Services is a supplier (purchasing and stores), a landlord (facilities planning), a communicator (communications and transportation), a producer (printing plant), and a builder (office of architecture and construction).

Divisions that have recorded noteworthy accomplishments during this period through the implementation of departmental and Task Force recommendations are:

CURRENT PROGRAMS AND PROGRESS

PROCUREMENT: During 1967 and 1968, in Purchases, State Agencies Allocated \$213.4 million, Spent \$199.9 million, Saved \$13.5 million. These savings are the result of new purchasing procedures, sealed bids, elimination of negotiated actions and the reduction of sole source purchases. The Comptroller General of the United States in his March 29, 1968, report to the Congress, after a study of purchasing procedures in several states, recommended that the U. S. Government consider the adoption of certain California purchasing procedures. The review indicated that out of 197 comparable items, the State of California obtained lower prices on 156 items. The report on items checked showed that U.S. costs for like items averaged 12.4% above those of California.

Procurement went generic in the purchase of drugs. It established a Drug Advisory Committee and a Generic Drug Contract. The Committee consists of professional medical persons and manufacturers' representatives who provide an expertise that will be beneficial to the State. The Committee has identified critical and non-critical drugs, assisted in the formulation of stringent criteria for prequalification of vendors, reviewed drug contracts and recommended changes in formulary when determined necessary. The result has been 30-day faster delivery, smaller inventories, fresher stock, and a single supplier. Hospitals are now able to make direct purchase through sub-purchase orders to further expedite delivery of needed pharmaceuticals.

The law permits local agencies to enjoy State purchasing power. On a voluntary basis, nine public entities enjoy substantial savings for the taxpayer (gasoline, oil, automobiles).

FACILITIES PLANNING: State agency landlord takes hard look at space requirements. On 1 April 1967, refined 1 August 1967, the Governor approved a State Space Standard. Potential economies when completed reduce the present State space from 10 million square feet to 8 million square feet, a projected savings of \$8 million per year.

Will it work? Yes, inventory of facilities, space control, centralized leasing with computerized information will in time be a reality. The Governor's Task Force indicates savings of \$300 million in 25 years.

Facilities Planning is charged with the responsibility of space utilization, centralized control of leasing, and the enforcement of new space standards for all State agencies. The impact of Division activities is directed to both leased and State-owned facilities. Their advanced planning program is now approaching realization. In one Northern California area there are 17 State agencies scattered in 12 locations. It is proposed to consolidate these agencies into one facility which will result in common utilities, parking and combined supporting office functions.

COMMUNICATIONS: Governor's Task Force estimates savings potential approaching \$2 million. The Communications Division has currently accomplished 70% of these savings; it is estimated the Task Force's prediction will be exceeded. Working cooperatively with the telephone industry, unnecessary equipment has been removed, increasing the usage of State leased line. The standardization of specifications and the consolidation of 1967/68 communications equipment purchases have resulted in savings and maximized competitive bidding. Revised accounting procedures have provided a monthly billing on a direct cost basis to State agencies. Future services to the State agencies and the public will be realized through the advisory capacity that this division maintains over the State's communications system. This division maintains 9,000 two-way radios and 2,000 radio stations with a budget that exceeds \$2 million.

Communications Division advises and assists law enforcement. Implementation of an automated, expeditious and expandable teletype net for State and local law enforcement agencies has been guided by the Communications Division. This system--known as "CLETS" (California Law Enforcement Telecommunications System)--permits agency access to computerized information systems operated by the FBI, Department of Justice, California Highway Patrol, Department of Motor Vehicles, and local law enforcement on a Statewide basis.

Through joint effort with Water Resources, the Division has been instrumental in design, procurement, and maintenance of communications equipment for flood forecasting operations which is utilized as an early warning device to area residents.

STATE PRINTING PLANT: Board of Education experiences early delivery of textbooks for \$1,005,439 less than estimated amount. This action prompted a current study by the Department of Education. The Legislative Analyst stated in his report (HR 249/69) that the State printing costs were 62% of the textbook publishers' sale price. Procedures have been proposed and implemented to assure an even further streamlining of the textbook project to provide better service and approach additional savings. 26,503 orders were processed by the State Printing Plant last year. Of this amount, \$2,435,289 was billed to the Legislature for its printing requirements.

Composition represents the most costly segment of the printing operations. 71% of the cost of legislative publications is in this area. Therefore, it is logical that automation should be given a high priority in the modernization program. Composition costs for Legislative journals for April and May 1968 were twice as high as national industry production standards, and small job printing projects almost 2-1/2 times higher in composing room costs.

Office of State Printing reports that savings from February 1967 through October 1968 are \$2,901,583, quality remaining equal to that of private industry.

BUILDING AND GROUNDS: Intensive studies and careful analysis clearly indicated a major change in the State's custodial program could be accomplished with substantial savings to the taxpayer. The program, now in its second year of implementation, has been a complete success. 141 positions were abolished; there were no layoffs; staff supported management's decision; results were acceptable, and the taxpayer benefited by a \$700,000 annual actual reduction in cost of State government.

TRANSPORTATION: The Governor's Task Force recommends a Statewide Transportation Fleet Management with potential savings of \$3 million to \$6 million. The Department is undertaking to work toward implementation of this recommendation with funds available. Potential development of a departmental fleet operation consisting of a management information system and a cost-accounting system is a possibility. This will be the first step toward obtaining a Statewide multi-agency information and accounting system to measure fleet usage.

OFFICE OF ARCHITECTURE AND CONSTRUCTION: Staff reduced by 121 positions (15%); work methods improved through team production, use of computerized calculations, workload forecasting, manpower planning and project controls. Private architects and engineers are hired as needed. Output increased by 23% (from \$185,000 to \$228,000 annually per man; goal \$500,000 by July 1970). Correspondingly, overall savings equal 3% of projects' construction

value. The goal of 4% reduction by July 1970 will provide \$2.6 million annual savings (based on \$65 million production).

Savings--direct, indirect, deferred: Funds returned to appropriation source following project completion, less augmentations expended and exclusive of savings from deferred or cancelled projects, \$5,910,981; capital outlay program modifications, \$167,500; administrative savings, \$162,371; personnel reductions, \$2,063,496; total savings \$8,304,348.

TO CARRY OUT THE GOVERNOR'S PROGRAM, THE DEPARTMENT'S GOALS MUST REMAIN HIGH AND CONTROLS TOUGH. Many areas remain untapped; the potential for further savings, with good service and quality merchandise, is within our grasp. Cost conscious attitudes, cooperation between departments and enlightened management with enthusiasm should even surpass the Governor's expectations.

March 6, 1969

STATE OF THE AGENCY MESSAGE
AGRICULTURE AND SERVICES AGENCY
OFFICE OF MANAGEMENT SERVICES

Current Progress and Programs

The State of California, consistent with the intent to curtail costs and suppress taxes, is employing electronic data processing (EDP) wherever possible. The State views electronic data processing technology as an indispensable tool for handling information and assisting decision makers in achievement of organizational goals.

The FY 1968-69 Budget includes an expenditure of approximately \$46,000,000 for this purpose. In addition, the University of California receives some \$15,000,000 annually from other sources (i.e., federal grants) for research activities involving EDP. Some 3,600 data processing personnel and 125 computers are involved.

In late 1967, the Office of Management Services, the State Electronic Data Processing Policy Committee and the Intergovernmental Board on Electronic Data Processing were established by Governor Reagan for more effective utilization of EDP. All three entities were given statutory authority during the 1968 Regular Session of the Legislature.

The EDP Policy Committee, chaired by Lieutenant Governor Ed Reinecke, is composed of all elected constitutional officers, representatives of both houses of the Legislature, all Agency Secretaries, the Chairman of the Intergovernmental Board on EDP, three public members, and the Directors of Finance and General Services. The Director of Management Services acts as Executive Secretary of the Committee.

Management Services and the Policy Committee focus their efforts on the development and implementation of policies, plans, standards, procedures and methods of evaluation for the utilization of EDP within the State government.

The Intergovernmental Board on EDP, composed of four representatives from the State, three from the counties, three from the cities and two from the schools, is concerned with the exchange of data between these levels of government as well as with the federal government and special districts.

Coordination of EDP Usage

As a result of the program, greater control and awareness of EDP now exists, some money has been saved and an environment has been created for further positive improvements very shortly.

For example, since program inception, consolidation of data processing services for five departments into two data processing centers was accomplished, studies were initiated on additional consolidations, new procedures for the acquisition of EDP equipment and services were established and new EDP personnel policies were adopted.

In addition, policies have been established that EDP should be performed at minimum cost consistent with the level of service required and that, while full consideration should be given to needs of individual agencies, the interests of the State as a whole are paramount.

Further, the program has been involved with the establishment or improvement of EDP facilities or systems for some fourteen government agencies during the last year.

Master Plan Development

In January, 1969, a short-range master plan for the use of EDP in the State of California that was prepared by Management Services was adopted by the State EDP Policy Committee.

The plan, focusing on the executive branch of State government (excluding the University of California) includes a statement of the problem, a discussion of the environment, a schedule for action, and a discussion of the constraints that exist in the California governmental setting related to effective use of EDP. Actions scheduled as part of the plan include the further consolidation of data processing facilities, a detailed study of data processing personnel policies and practices, development of an improved method of maintaining cognizance of data processing expenditures, equipment, personnel and applications, and establishment of methods and criteria to evaluate effectiveness.

A long-range EDP master plan will be recommended by Management Services for adoption by the State EDP Policy Committee by approximately June, 1969. This will provide optimum utilization of electronic data processing systems by State government and also will enhance coordination with local and federal government agencies.

Fiscal and Personnel Management Information System

The 1968 Legislature charged Management Services with the responsibility to conduct a study of the feasibility of a comprehensive fiscal and personnel management information system to improve availability of information for executive and legislative decisions and to reduce duplication of records and processes which entail substantial costs. The study is underway and a progress report will be submitted to the Joint Legislative Budget Committee by April 1, 1969.

Manual on Intergovernmental Information Exchange

The Intergovernmental Board on Electronic Data Processing has published a "Manual of Guidelines for Development of Intergovernmental Information Systems." This manual provides standards for electronic data processing in the areas of programming, system design, communications, documentation and personnel.

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

STATE PERSONNEL BOARD

Its employees are an organization's most important resource. Based on this premise, the State's personnel program is geared toward attracting, motivating, developing, and retaining an effective work force.

The State Constitution requires the appointment and promotion of employees in the civil service be by competitive examination. The State Personnel Board administers this program. In addition, it performs other basic activities which make up a comprehensive personnel program such as recruitment, job evaluation, compensation, training, and employee relations. The scope of the State's personnel program reflects the belief that the development and utilization of employees are a vital ingredient in providing the most effective services at the most reasonable cost to the citizens of California.

CURRENT PROGRAMS AND PROGRESS

Greater Career Opportunities for the Disadvantaged

In keeping with the Governor's executive order calling for State assistance in hiring the disadvantaged, a Career Opportunities Development Unit has been set up to: (1) ease the hiring of the disadvantaged; (2) publicize existing job opportunities; (3) reshape jobs to create new career opportunities and to increase the use of employee skills; and (4) to upgrade skills of disadvantaged persons who have been recruited for State service. Examples of the new job opportunities created include Hospital Worker, Correctional Program Assistant, and Parole Aid. Also being developed is a "career ladder" which allows disadvantaged individuals who have been hired by the State to prepare for professional and technical positions through a combination of experience and appropriate training. By monitoring the progress of these efforts, the Personnel Board will endeavor to make sure that successes achieved will be consistent with merit employment standards.

Innovative Approach to Management Development

A Management Development Institute including a training center facility has been established within the past year. In its first year of operation, the Institute is offering three programs. First, is the Management Development School where 450 middle managers this fiscal year are receiving a comprehensive course covering the concepts and practices of successful management. Second, is a program for the coordination of college level training in government, organization, and management for individuals in the early stages of their careers as supervisors. Third, is a program providing participation by State and local government managers in training directed to the management of resources for community development. Through a Federal grant-in-aid, this activity will seek to improve management capability and to emphasize the intergovernmental nature of community development.

New Focus on Employee Training and Development

As a part of the Governor's Policy on Individual and Team Development, a new focus on training in State service of the individual and of management teams within an organization is taking place. The goals of this policy include: (1) increasing the problem-solving and leadership capacity of State managers; (2) encouraging self-development efforts of each State employee; and (3) stimulating creative and innovative approaches to State operations. Two new advisory groups with broad representation have been set up. One is the State Personnel Development Advisory Committee. It is made up of several State executives, personnel and training executives from private industry, and representatives from the academic community. Their job will be to review training policy and advise on training needs within State service. Another is the California Public Service Training and Education Advisory Council whose members come from local government, the State, higher education, and the public. This group will coordinate the development of new training activities involving both State and local government.

Continuing Effective Employer-Employee Relations

In response to House Resolution 530 (July 30, 1968), the Personnel Board has submitted a report to the Legislature which includes a suggested approach for formalizing employer-employee relations in the State civil service. This approach maintains a proper balance between increased employee participation in decisions affecting their welfare and working conditions, while at the same time preserving the principles of merit employment, appropriate managerial discretion, and influence of elected officials on public policy.

Planned Reduction of Industrial Accident Costs

A plan to reduce occupational injuries among State employees by 10% during the next year has been adopted by the Personnel Board and submitted to the Governor. Among the steps recommended to achieve this goal are:

- (1) A Governor's safety policy statement to motivate departmental action.
- (2) Cabinet Secretary review and evaluation of departmental accident prevention programs with accountability for positive results.
- (3) Management and supervisory responsibility for accident reduction.
- (4) Early return of injured employees to modified work assignments suited to their physical condition.

Interchange of Employees

Where it is mutually advantageous, arrangements are being made to increase the interchange of employees between the State and other public agencies. Several of these temporary exchanges have taken place and the State is working toward greater use of this method of individual development and intergovernmental cooperation. The role of the Personnel Board in this activity is to establish policies and practices designed to facilitate these interchanges.

March 6, 1969

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

DEPARTMENT OF PROFESSIONAL

AND VOCATIONAL STANDARDS

It is the responsibility of the Department of Professional and Vocational Standards and its constituent agencies to serve and protect the public. Consumer protection is the primary responsibility of Professional and Vocational Standards and not the protection of particular professions or vocations. To the credit of the Boards currently serving the citizenry of California, the people of California are recognizing the benefits of this service.

First created in 1929, the State Department of Professional and Vocational Standards is today composed of forty (40) Boards, Bureaus, Commissions, and Committees overseeing the licensing and/or registration of approximately 777,000 Californians engaged in occupations ranging alphabetically from Accountants to Vocational Nurses.

CURRENT PROGRAMS AND PROGRESS

One of the greatest accomplishments during the past two years has been in the area of efficiency and greater utilization of manpower and brainpower by combining several of the Boards and Bureaus. The activities of the Bureau of Employment Agencies and the Bureau of Electronic Repair Dealers Registration have been combined under one Executive Officer and have been operating smoothly and more economically since the combination went into effect.

Other Board combinations which have resulted in savings both in money and manpower include: Registered Physical Therapists and Licensed Physical Therapists; Licensed Vocational Nurse and Psychiatric Technician Examiners; Social Worker and Marriage Counselors; and, the transfer of the Yacht and Ship Brokers Commission to the Department of Harbors and Watercraft.

The Department has been successful in implementing a number of recommendations of the "Little Hoover Commission" and eight recommendations by the Governor's Task Force on Efficiency and Economy including centralization of clerical duties in the Los Angeles office and the renovation of that facility which is now saving the Department an estimated \$14,500 annually. Additionally, all constituent agencies of the Department have been encouraged to utilize the Department's in-house counsel as opposed to the more expensive utilization of the Attorney General's office. To date, all but one Board has complied in this respect.

Also, there were created a number of advisory committees composed of individuals representing various segments of licensee groups. These individuals serve without compensation and meet periodically in order to provide intercommunications between their constituents and the Department relative to current activities. To improve internal communications, the Director has instituted a Department Employees Council, the officers of which were named through a Departmental-wide election.

Instituting Program Budgeting has been a goal of this Department and the first program budget is now being submitted for the 1969-70 fiscal year. Efficiencies will be realized through creation of the Data Processing Center, which is now becoming operational. The Board of Equalization and the Department of Professional and Vocational Standards are sharing EDP equipment to the advantage of each.

In July of 1968, under the auspices of the State Board of Medical Examiners and the Department of Professional and Vocational Standards, the first "Allied Health Conference" in the State of California was held. Approximately 200 persons, representing every segment of the healing arts, education, and employment fields attended. The discussions concerned: (1) the burgeoning allied health legislative demands causing a proliferation of new licensing board requests; (2) the role of the Healing Arts Boards and their licensing functions in meeting California's health manpower needs; (3) how California's returning veterans, with service-connected health care training, may be best utilized in California without further lengthy and expensive training, and without lowering the present high standards.

Another first was scored by the Department on November 7 and 8, 1968, when the first "Interstate Conference of Licensing Officials" was held within the Continental United States. The states of Washington, Oregon, Pennsylvania, New York, Wisconsin, Nevada, Michigan, and California were represented. This fruitful meeting stimulated the calling of a second meeting to be held in Nevada in the Spring of 1969. It is anticipated that further conferences will now be held periodically.

A final accomplishment during the past two years was the Department's successful quest to achieve Peace Officer's status for Investigators of the Compliance Division in order to provide these individuals with additional protection for services performed in the line of duty and for additional recognition of their task by legal law enforcement agencies.

March 6, 1969

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

STATE TEACHERS' RETIREMENT SYSTEM

The State Teachers' Retirement System exists to fulfill the legislative and social mandate that teachers and others who retire from government service are to be provided an income to take care of their needs. The program also provides indirect assistance to employing school districts in recruiting and retaining competent teachers, and for the orderly retirement of the aged and disabled teacher. These needs are translated into three objectives which are: (a) to provide retirement allowances, survivor benefits and death benefits for teachers who work in publicly supported schools; (b) to aid in the recruitment and maintenance of a qualified body of teachers in the public schools; and (c) to assure that all members are aware of their rights, benefits and current status. Membership is presently over 290,400 teachers and related personnel.

CURRENT PROGRAMS AND PROGRESS

Unfunded Accrued Liability

Since its founding fifty-five years ago, the System has not been adequately financed. Periodic attempts were made to provide required financing. In 1944, a pay-as-you-go method of funding was adopted. It pays the cost of benefits as they become payable after retirement. Benefits now being paid exceed \$11.5 million a month. The funds come from contributions made by the retired teacher, a 3% of salary contribution from employing school districts which, because of assessed valuation limitations, yields only 2.4% of salary, and a contribution from the State General Fund which, when added to the district contribution after deducting the teacher's contribution, is sufficient to pay benefits for that year. The State General Fund contribution will be \$71 million in Fiscal Year 1969-70. It will exceed \$100 million in Fiscal Year 1972-73. The rate of growth is accelerating and can only continue upward.

The money received from school districts and the General Fund is paid out in the year received to cover the cost of benefit payments. There are no employer contributions in the Fund. There are approximately \$1.4 billion of teachers' contributions in the Fund which are already fully obligated either to pay refunds if the teacher quits or to apply toward the cost of benefits paid if the teacher dies or retires. Teacher contributions pay approximately 28% to 32% of the cost of benefits as they accrue. There are no employer contributions to cover the remaining 68% to 72% of the current service cost. This cost has been accruing over the years and now totals between \$3.5 and \$4.5 billion. This is the unfunded accrued

liability or debt of the State to the Fund. In 1964, it amounted to \$2,124,274,000, and has grown an estimated \$1.5 to \$2.5 billion since. Approaches to funding the System are under study by the actuaries for the Joint Legislative Retirement Committee and the System's consulting actuary.

The Computer

Until recently, the System had no computer facilities and was using an antiquated punch card data processing system. In June 1968, an inter-agency agreement was made between the State Teachers' Retirement System, the Public Employees' Retirement System and Veterans Affairs to form the first cluster using a third generation computer. This approach permitted obtaining a highly sophisticated computer needed to most efficiently handle the work of the departments, but which none of the organizations individually could have justified on either a use or cost basis. The combined effort has resulted in obtaining a computer with adequate capacity at lower at lower cost with planned full utilization. When all systems are on line, the computer will run three shifts a day. Full conversion of the State Teachers' Retirement System will take up to five years.

Law Recodification

The System operates under Chapter 4, Division 10 of the Education Code. This law has not been revised since 1944. It has been amended a great many times. It is redundant, contradictory and, in general, a conglomerate of uncoordinated provisions. A recodification is in progress and will be proposed to the 1969 Session of the Legislature. Following recodification, considerable work to improve and simplify the law will be done.

March 6, 1969

STATE OF THE AGENCY MESSAGE

AGRICULTURE AND SERVICES AGENCY

DEPARTMENT OF VETERANS AFFAIRS

The objective of the Department of Veterans Affairs is to contribute to the general welfare, economic well-being and rehabilitation of California veterans by assisting them in reestablishing their position in civilian life. The Department administers some programs to accomplish this, and assists veterans or their dependents in obtaining benefits available from other sources.

CURRENT PROGRAMS AND PROGRESS

Project Involvement

Early in 1967, the Department of Veterans Affairs engaged in the establishment of "Project Involvement" - an attempt to aid in coordinating the activities of civic groups, veterans' organizations and others who wished to actively participate in expressing their appreciation and good wishes to California servicemen returning from Vietnam. The Project, which has gained national recognition for its success, has several facets. California communities are assisted in inviting war-wounded into their towns and cities for three and four-day recreational trips -- mostly for the fishing and hunting the different areas offer, but with occasional trips to take advantage of various activities. Here in Sacramento, groups have attended Cal-Expo, the Sports Show, two luncheons with Governor Reagan, and the Oktoberfest. Last December a group spent three days in Palm Springs. The most popular excursions, and those that are most gratifying, have been four trips to Soda Springs, where groups of amputees are taught to ski. These indomitable young men have shown surprising proficiency in a very short time. No cost to the State is involved -- all expenses are raised from contributions from the private sector, both in time and money.

Private donors have also made it possible for the Department to send over 2,000 State flags to California servicemen on duty in Vietnam who requested them.

More than 200 television sets, and an untold number of transistor radios have been made available to our wounded in Oak Knoll and Letterman Hospitals -- again at no cost to the State.

AGRICULTURE AND SERVICES AGENCY

March 6, 1969

Earl Coke
Secretary
445-1935

Kenneth F. Hall
Assistant Secretary
445-1935

Department	Department Head	Deputies or Executive Assistants		Press Contact
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State Fire Marshal	Albert E. Hole 445-4171	William S. Garrett 445-4171	Robert E. Bishop 445-4171	Frank J. McCarthy 445-4171
Franchise Tax Board	Martin Huff 445-6678	Bruce W. Walker 445-7778		Richard Osborn 445-5946
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Management Services	Charles P. Smith 445-1932	Perry L. Stauffer 445-1932		Charles P. Smith 445-1932
Personnel Board	John F. Fisher 445-5291	Kelvin D. Sharp 445-5291		John F. Fisher Roy W. Stephens 445-5291
Professional and Vocational Standards	Henry M. Shine, Jr. 445-4465	Arthur J. Costamagna 445-4461	Frank Reynolds 445-4461	Frank Reynolds 445-4461
Teachers' Retirement System	Michael N. Thome 445-9070	C. Parker Anderson 445-9071		Michael N. Thome 445-9070
Veterans Affairs	Harlan J. Johnson 445-3111	-----		Tom Strotman 445-9518

STATE OF CALIFORNIA
SECRETARY, AGRICULTURAL AND SERVICES AGENCY
BIOGRAPHICAL SKETCH--EARL COKE

Earl Coke is the first Secretary of the newly established Agriculture and Services Agency. A native Californian, with a lifelong career in agriculture on the local, state and national level, Secretary Coke was appointed as Director of Agriculture in January of 1967 by Governor Ronald Reagan, and was elevated to his present position by the Governor in September, 1968.

The son of Walter W. and Minnie E. (Smith) Coke, Secretary Coke was raised on a farm in San Bernardino County. He was graduated from Chaffey Union High School in Ontario, California. He attended Pomona College in Claremont, California (1919-1920) and received his Bachelor of Science degree in agriculture from the University of California at Berkeley in 1923. In 1955 he was awarded an honorary degree of Doctor of Science from Clemson University's College of Agriculture.

Prior to becoming the Director of the California Department of Agriculture, Secretary Coke was president of Consolidated Agricultural Industries, a marketing organization in San Francisco. He served in the Agricultural Extension Service of the University of California from 1923 to 1935 as an assistant farm advisor and extension specialist in agronomy (1929). From 1935 to 1949 he was president, general agriculturalist and a member of the board of directors of Spreckels Sugar Company (San Francisco).

Returning to the University of California in 1949, he served as Director of the California Agricultural Extension Service until 1955. He took a leave of absence in 1952-53 to serve in the Eisenhower administration as Assistant Secretary of Agriculture in the United States Department of Agriculture. In this position he was responsible for five agencies of the Department: Agricultural Research Service, Agricultural Extension Service, the U. S. Forest Service, the Soil Conservation Service and the Farmers Cooperative Service.

He was vice president of the Bank of America in charge of agricultural loans and other activities from 1955 to 1965 when he became president of Consolidated Agricultural Industries.

He is married to Ella Elizabeth Coke and has two sons and one daughter: James Earl Coke, Jr., an architect; Thomas Richard Coke, a member of the faculty of San Jose State College; and Mrs. Ralph Whitney of Piedmont, California.

STATE OF CALIFORNIA

ASSISTANT SECRETARY, AGRICULTURE AND SERVICES AGENCY

BIOGRAPHICAL SKETCH--KENNETH F. HALL

Kenneth F. Hall, 30, assumed the responsibilities of Assistant Secretary of Agriculture and Services Agency when the Agency was first created in September, 1968. As Assistant Secretary, Mr. Hall serves as assistant to Secretary Earl Coke in providing policy guidelines on behalf of the Governor to the twelve departments in the Agency.

Hall is a native Californian and was raised in Pasadena, California. He is a graduate of Pasadena Public Schools and holds a Bachelor Degree in Political Science from the University of Redlands and a Master of Arts Degree in Political Science from the University of Southern California.

At the University of Redlands, Hall was one of one-hundred students selected from across the nation to spend one year in Washington studying the federal political process. After receiving his Bachelor of Arts Degree, he was selected by the University of Southern California as the recipient of a Ford Foundation Fellowship grant for graduate education in political science. He attended the University of Southern California from 1961 to 1963 and received his Masters Degree upon graduation. Additional honors received by Hall include selection by the University of Southern California for membership in Pi Sigma Alpha, a national political science honorary society, and appearance in Outstanding Young Men of America, 1968 and Who's Who in the West, 1969.

Prior to accepting appointment as Assistant Secretary of Agriculture and Services Agency, Hall served as Assistant Cabinet Secretary for Governor Reagan. He joined Governor Reagan's staff in December, 1966 during the transition between administrations. As Assistant Cabinet Secretary, Hall was responsible for liaison between the Governor and the Agency Secretaries, Departments, Boards and Commissions.

From December, 1964 to December, 1966, Hall served the California State Legislature as Administrative Assistant to Assemblyman Newton R. Russell (R-Tujunga). Additional positions held by Hall include Associate of Spencer-Roberts and Associates (1960 and 1962), a leading political campaign firm and secondary school teacher with Los Angeles City Schools (1963-1964).

Kenneth Hall is married to the former Lynn A. Pinnell and has one child, Jolie Deanne. He is an avid skier and has a unique hobby of collecting historical newspapers.

Department of Agriculture

State of California

DEPARTMENT OF AGRICULTURE

BIOGRAPHICAL SKETCH--JERRY W. FIELDER

Jerry W. Fielder, 54, an outstanding leader in California agribusiness for nearly 30 years, became Director of the California Department of Agriculture in March 1969.

Before his appointment, Fielder served as Chief Deputy Director of the Department, a post he assumed in November 1968.

A native Californian, Fielder was graduated from the University of California at Davis in 1939 with a Bachelor of Science degree in agronomy.

Following graduation, he was assistant manager of the Blythe Alfalfa Growers Association and then served two years as a naval officer on a destroyer during World War II.

In 1946 he established the Dixon Dryer Company, an alfalfa processing and dehydrating company with offices and plant in Dixon. In 1960 he organized the Delta Dehydrating Corporation with its plant at Clarksburg, and in 1963 he established the North American Dehydrating Corporation with plant location at Rocky Ford, Colorado. Both companies produce and process dehydrated alfalfa products and sugar beet pulp.

Fielder has been a member of the Agricultural Advisory Council of the University of California, was president of that body for one year, and is a past president of the American Dehydrators Association.

He recently completed his 6th year as a member of the USDA Grain and Forage Crops Research Advisory Committee. He resigned as president of the California Grain and Feed Association when he accepted his position with the Department in 1968.

Department of Commerce

State of California

DEPARTMENT OF COMMERCE

BIOGRAPHICAL SKETCH -- J. BRYAN SULLIVAN, JR.

J. Bryan Sullivan, Jr., formerly commissioner of the Economic Development Agency, was named director of the California Department of Commerce on September 14, 1968.

Coming to state government from private industry, Sullivan, 46, was employed as project data systems manager for the Lockheed Missiles and Space Co. in Sunnyvale. In this capacity he directed Lockheed's companywide computer-based data systems for product operations and control. Since 1954 he has also served Lockheed as management controls manager for the Voyager Space Program, organization planning manager, and in other corporate capacities.

A graduate in economics from U.C.L.A., Sullivan has taken graduate work in economics and general management at U.C.L.A. and industrial management at Stanford University.

He was research assistant for the University of California's Bureau of Business and Economic Research from 1949-50, and served as a commissioned officer in the U. S. Army during the Korean War. For several years Sullivan has served as an economics officer and director of logistics on the general staff of the 351st Civil Affairs Headquarters Unit in the Army Reserve.

Sullivan is a member of the California State Chamber of Commerce Economic Development Committee, the State Chamber Economic Advisory Council, and the State of California Interdepartmental Research Coordinating Committee. He also serves on the Executive Board of the California Job Development Corporation.

He is married and has four children.

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State of California

OFFICE OF CONSUMER COUNSEL

BIOGRAPHICAL SKETCH--MRS. KAY VALORY

Mrs. Kay Valory was appointed by Governor Reagan as Acting Consumer Counsel on January 11, 1967, and directed to make an in-depth study of the office to determine its effectiveness and future goals. At the end of the study she was appointed Consumer Counsel.

Mrs. Valory received her education at San Francisco State College and the University of California at Berkeley. She has long had a deep interest in good government and has been active in civic and political affairs. She served as State Vice Chairman of Governor Reagan's gubernatorial campaign and at present is a member of the Republican State Central Committee. Among her other affiliations are the Walnut Creek Presbyterian Church and the California Historical Society. In addition, she has been involved in PTA, Cub Scouts, and Little League activities.

She resides in Lafayette where her husband, Mark, is a designer-builder. As the mother of six sons, ranging in age from seven to twenty-seven years, she brings to the position of Consumer Counsel a thorough firsthand knowledge of consumer interests and problems.

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February, 1967

State of California

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BIOGRAPHICAL SKETCH ----- WILLIAM E. PAYNE

William E. Payne became the Executive Officer of the California Public Employees' Retirement System on August 27, 1956, a Retirement System which has grown from a membership of approximately 187,000 at that time, to approximately 400,000 currently.

Mr. Payne's service with the State of California dates from 1938, during which time he has served in the Department of Motor Vehicles and subsequently as Manager of the Farm and Home Purchases Division of the Department of Veterans' Affairs.

Mr. Payne is a Past President of the National Association of State Retirement Administrators and is currently Chairman of the Retirement Committee of the Municipal Finance Officers' Association of the United States and Canada.

Born in Kansas in 1911, he received his AB Degree at the University of California in Los Angeles, with two years of graduate work at the University of California in Berkeley. He majored in Economics.

He was a Lieutenant in the United States Navy from 1942 to 1946.

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BIOGRAPHICAL RESUME'

ALBERT E. HOLE

STATE FIRE MARSHAL

Born in Globe, Arizona, August 16, 1920. Attended grade schools in Arizona, Colorado, and New Mexico before moving to Long Beach, California, in 1932. Completed education in Long Beach public schools and was graduated from Polytechnic High School. Also attended University of Southern California, University of California, Los Angeles, and Long Beach City College. Married, wife Joyce; son Michael, a policeman for the City of Los Angeles; and daughter Sue, a high school student.

Became a member of the Long Beach Fire Department in 1942, enlisted in Army Air Corps in 1943. Flew 35 combat missions in B-24's with the 8th Air Force. Awarded the Distinguished Flying Cross, Air Medal with three oak leaf clusters, and European Theater of War Medal with six combat stars.

Returned to the fire department in October, 1945. Progressed through the ranks of the department, by promotional examination, to Engineer in 1947, Captain in 1950, and Battalion Chief in 1961. Assignments as a Captain included Training, Fire Suppression, and for eleven years Fire Prevention. Assignments as a Battalion Chief included Fire Suppression and five years in charge of the Bureau of Fire Prevention as City Fire Marshal.

Retired from the Fire Department on May 1, 1967, and appointed State Fire Marshal on May 3, 1967, by Governor Ronald Reagan.

Member of the Governor's Council, California State Communications Advisory Board, State Fire Training Advisory Committee, California Fire Chiefs' Association, International Association of Fire Chiefs, Fire Marshals Association of North America.

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Franchise Tax Board

State of California

Franchise Tax Board

BIOGRAPHICAL SKETCH--MARTIN HUFF

Martin Huff, a Certified Public Accountant, became Executive Officer of the California Franchise Tax Board September 3, 1963.

For five years prior to his appointment, he was the Auditor-Controller of the City of Oakland.

Prior to that he was engaged in the practice of public accounting in the Oakland firm of Timpson, Boyle and Huff, CPA's.

Born in 1923, Huff received his B.S. degree in Business Administration from the University of California in 1949.

Huff currently serves as a Vice President of the California Society of Certified Public Accountants; Vice President of the Sacramento United Crusade; and Vice Chairman, Citizens Advisory Committee, Sacramento Unified School District.

State of California

DEPARTMENT OF GENERAL SERVICES

BIOGRAPHICAL SKETCH---ANDREW R. LOLLI

Andrew R. Lolli, Major General, United States Army (ret), one of the nation's top missilemen, is a combat veteran who was born in Illinois and reared in New Jersey.

A graduate of Dickinson College, Pennsylvania, 9 military schools including the National War College, and did graduate work at several universities.

Ordered to active duty in 1940, and integrated into regular Army as a Captain in 1946.

Holder of 19 decorations to include Distinguished Service Medal, Legion of Merit, and the Bronze Star Medal for Valor. Worked at the highest levels of national and international government. Participated in 11 international conferences to include the Bagdad, Balkan, and Aegean-Black Sea Conferences.

NATO strategic long-range planner and former Commander of the 15th and 20th U. S. Army Corps and the Western NORAD Region.

Upon his retirement September 1, 1966, he joined the aerospace industry as an executive for Hughes Aircraft. He was given a leave of absence from the aerospace industry but continues his affiliation with the National Defense and Industrial Advisory Council.

On February 1, 1967, Governor Reagan named him Director of General Services of the State of California.

On July 1, 1968, he was named to the Advisory Panel of the National Academy of Sciences and Engineering in the Research Division of Applied Technology, and on October 4, 1968, he was named to the Federal, State and Local Government Advisory Panel on Procurement and Supply by the Federal General Services Administration.

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State of California

OFFICE OF MANAGEMENT SERVICES

BIOGRAPHICAL SKETCH--CHARLES P. SMITH

Charles P. Smith is the Director of the Office of Management Services for the State of California. He is responsible for the planning, policy, standards, procedures and evaluation related to the utilization of electronic data processing in State government. In addition, he provides liaison with the Intergovernmental Board on EDP.

Prior to assuming his present responsibilities in November, 1967, he was Senior Technical Advisor to Management at System Development Corporation (SDC). Joining SDC in May, 1961, his assignments included professional and managerial responsibilities for the application of systems analysis and information technology to civil government and the military services. He is a former Parole Agent for the California Youth Authority; Lieutenant in charge of the Juvenile Division of the Pima County, (Tucson) Arizona, Sheriff's Office; and editor of a weekly newspaper in Tucson.

Mr. Smith has a B.A. degree in political science and an M.A. degree in sociology from the University of Arizona, a masters degree in public administration from the University of Southern California and he has successfully completed all courses and examinations for the doctoral degree in public administration. His dissertation is in progress and is estimated to be completed in 1969.

State of California

STATE PERSONNEL BOARD

BIOGRAPHICAL SKETCH - JOHN F. FISHER

John F. Fisher, Executive Officer of the California State Personnel Board, was appointed to this position in 1947. Prior to that time, from 1944 to 1947, he served as the Assistant Executive Officer.

His employment has included work with the Federal Government in Washington, D. C., followed by service with the Los Angeles City Civil Service Commission as General Manager from 1941 to 1944. He is a graduate of Stanford University and the Maxwell Graduate School of Citizenship and Public Affairs at Syracuse.

Fisher is a former president of the Public Personnel Association and member of its Executive Council. In 1966 he was awarded an Honorary Lifetime Membership in that organization.

He has been called as a Consultant to the City of Philadelphia in the organization of its personnel department; as a Consultant for the University of Southern California on the program of its Institute of Administrative Affairs in Iran; as Consultant for the Agency for International Development in Turkey; and as a Consultant to Thailand under the auspices of the Agency for International Development in establishing standards for its civil service system.

DEPARTMENT OF PROFESSIONAL AND VOCATIONAL STANDARDS

BIOGRAPHICAL SKETCH--HENRY M. SHINE, JR.

Henry M. Shine, Jr., veteran attorney associated with numerous governmental activities, is director of the Department of Professional and Vocational Standards.

Shine, 47, of Sacramento, was director of the National Housing Center of the National Association of Home Builders in Washington before accepting his appointment.

He joined the NAHB in 1961 as legislative director engaged in matters affecting the home building industry and became director of the NHC in 1965 where he was responsible for liaison with various NAHB offices, international relations and trade missions.

A native of Maine, Shine was graduated from Harvard with a bachelor of arts degree in 1947 and was graduated cum laude with an LL.B from Notre Dame in 1951. He was also a Graduate Fellow at Southern Methodist University School of Law.

From 1953-55 he was assistant to a commissioner of the Federal Hoover Commission and until 1957 specialized as an attorney involved in foreign legal problems with Dresser Industries. The following year he became Washington representative with Dresser, reporting on government actions and trends.

He served from April, 1958 to December, 1959 as assistant staff director of the Commission on Civil Rights responsible for creation and supervision of state advisory committees. In January, 1959, he joined the U.S. Department of Commerce as executive director and counsel to the U.S. Science Exhibit at the Seattle World's Fair, where he served until 1961.

Shine formerly served on the board of governors of the Washington Foreign Law Society and is a member of the American Bar Association's international and comparative law section. He is former chairman of the National Committee on Lawyers and Legal Services in the Defense Establishment and the Real Property Law Section's committee on public regulation of land use.

He is a member of state and national bar associations, is listed in "Who's Who in Commerce and Industry" and "Who's Who in American Universities and Colleges" and has lectured at Brookings Institution's public affairs fellowship program.

Shine graduated from Alexander Hamilton High School in Los Angeles and entered the

State of California

STATE TEACHERS' RETIREMENT SYSTEM

BIOGRAPHICAL SKETCH--MICHAEL N. THOME

Michael N. Thome was appointed Chief Executive Officer of the State Teachers' Retirement System on March 29, 1968.

For five years prior to his appointment, he was the Executive Director of the Minnesota State Retirement System, and for eight years prior thereto, was the Assistant Director of that system.

Prior to entering the retirement field, he was a purchasing agent for the State of Minnesota; and for four years prior thereto, served as a civilian military government officer with the Department of Defense in the Orient.

Born in Rice Lake, Wisconsin, on November 28, 1917. He was educated in both Wisconsin and Minnesota.

He is a veteran of World War II, having entered the Army as a private and was discharged as a Captain.

Mr. Thome is a member of the Standing Committee on Public Employee Retirement System Administration of the Municipal Finance Officers Association of the United States and Canada; a member of the Western Pension Conference, and has held several offices in other national pension organizations.

State of California

DEPARTMENT OF VETERANS AFFAIRS

BIOGRAPHICAL SKETCH--HARLAN J. JOHNSON

Harlan J. "Jack" Johnson, an employee of the California Department of Veterans Affairs for more than 23 years, became Acting Director of the Department February 24, 1969.

For eight years prior to his appointment, he served as Manager of the Department's Division of Farm and Home Purchases in Sacramento.

Joining the Department's staff as a Property Appraiser in Los Angeles immediately after World War II, Johnson was promoted to Manager of the Fresno Cal-Vet office in 1949.

Another promotion to the position of Division Credit Manager brought him to Sacramento in 1955.

He became Assistant Manager, Division of Farm and Home Purchases, in 1956 and Manager in 1961.

Born in Fremont, Missouri, May 21, 1920, Johnson's family moved to California in September of the same year. He attended Taft Junior College and the University of California at Berkeley.

He is a veteran of World War II, having entered the United States Army Air Corps as an Aviation Cadet in 1941. He was discharged as a captain in 1945. Johnson flew 32 combat missions as a B-17 pilot with the 8th Air Force in England. He is the holder of the Air Medal with three Oak Leaf clusters and the Distinguished Flying Cross. He retired from the U.S. Air Force Reserve as a lieutenant colonel in February.

Johnson is a member of the American Legion and the Veterans of Foreign Wars.

February, 1969