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RELEASE: Immediate

#687

Governor Ronald Reagan today announced the appointment to a four-year term of Eddy S. Feldman of Los Angeles as a member of the state's Commission for Economic Development.

Feldman, a 54-year-old Democrat, fills the vacancy created by the resignation of John J. Royal of San Pedro.

An attorney, Feldman is the managing director of the Los Angeles Home Furnishings Mart, a position he has held since 1958.

A native of Kansas City, Missouri, Feldman is a 1938 graduate of Northwestern University and received his law degree the same year from DePaul University.

He is a member and past president of the Los Angeles Board of Municipal Arts Commissioners and is a past member (1959-67) of the state's Correctional Industries Commission.

Commission members receive their necessary expenses.

# # # # # #

Release: Immediate

#688

Governor Ronald Reagan today announced the reappointment to four-year terms of Mark Guerra of San Jose and Mrs. Catherine L. Montgomery of San Diego as members of the state Commission on Fair Employment Practice.

The appointments require confirmation by the state Senate.

Guerra, a 56-year-old Republican, has been a member of the commission since 1967. He is principal of William High School in San Jose. He holds a B.A. degree from San Jose State College and earned his Master's degree in 1953 at Stanford University.

Mrs. Montgomery, a Republican, has been a member of the commission since 1969. She attended Howard University in Washington, D.C., and the University of California's extension school in San Francisco.

She is a member of the President's Advisory Council on Minority Business Enterprise and the San Diego Planning Commission.

Commission members receive \$50 a day when on official business.

RELEASE: Immediate

#689

Governor Ronald Reagan today announced the appointments to four-year terms of Curtis R. Stafford of San Jose and Robert E. Renz of West Covina as members of the state's Commission for Teacher Preparation and Licensing.

Stafford, a 48-year-old Democrat, is a professor of secondary education at San Jose State University.

He is a graduate of the University of Illinois and holds an A.B. degree, a Master's degree and a doctorate in education.

Stafford replaces Jack E. Conner of Castro Valley. Conner's term has expired.

Renz, a 46-year-old Republican, succeeds Eunice L. Evans of Lafayette. Her term has expired.

The president of the Building Industries Association of Los Angeles, Renz is the treasurer of his family's plumbing and heating business in Santa Fe Springs.

In 1971, Renz was chairman of the Young Home Builders Council in Los Angeles, the education arm of the Building Industries
Association of California.

Commission members receive their actual and necessary travel expenses when on official business.

# # # # # #

RELEASE: Immediate

#690

Governor Ronald Reagan today announced the appointment of Joseph A. Rosati of Hollister as a member of the board of directors of the 33rd District Agricultural Association, sponsor of the San Benito County Fair.

Rosati, a 54-year-old Republican, succeeds the late John P. Ohrwall of Hollister.

Board members receive their necessary expenses.

# # # # #

Governor Reagan will be available to the press following his speech to the Criminal Justice Conference at the Earl Warren Community Center early this afternoon. He is scheduled to speak at roughly 1:15 for around 30 minutes. The press availability will follow the speech.

'The California Sheriffs' Association will present an award to the governor at 3:00 this afternoon in the Cabinet Room.

The press is cordially invited.

Have a nice day, you all.

RELEASE: Immediate

#691

Governor Ronald Reagan today announced the appointment of Alfred Ginsburg of Chowchilla as a member of the Madera County Board of Supervisors. He will represent the county's second district.

Ginsburg, a 54-year-old Republican, succeeds Supervisor
Harold Balmat of Chowchilla. Balmat's resignation was effective
November 30.

A former mayor of Chowchilla and a member of the City Council for 16 years, Ginsburg won the supervisorial seat in the June 4 Primary election. The appointment to fill Balmat's unexpired term is effective immediately. His regular term begins January 6, 1975.

Ginsburg is president of the Madera County Civil Service Commission and has served continuously for the past 10 years.

He will receive an annual salary of \$10,512.

# # # # #

RELEASE: Immediate

#692

Governor Ronald Reagan today announced the appointment of Morris M. Rubin, M.D., of Santa Monica as a member of the state's Advisory Health Council.

Dr. Rubin, a 67-year-old Republican, fills the vacancy created by the resignation of Orrin S. Cook, M.D., of Sacramento. Dr. Rubin's term will expire July 7, 1976.

He is a graduate of the University of California at Berkeley and received his medical degree from the University's medical school in San Francisco.

Council members receive their actual and necessary expenses when on official business.

# # # # #

RELEASE: Immediate

#693

Governor Ronald Reagan today announced that his executive assistant, Edwin Meese III, has accepted the position of Corporate Vice President for Administration with Rohr Industries, Inc., in Chula Vista.

Meese, 43, will assume his new position January 20.

.He will be responsible for the legal, industrial relations, public relations and governmental relations activities of the corporation, as well as its Washington, D.C. office.

"I am extremely pleased to make this announcement," Governor Reagan said, "because Ed Meese deserves much of the credit for this administration's achievements.

"He has done a superb job as my chief assistant and member of the Cabinet, and I shall always be grateful to him. Nancy and I wish him and his family good luck and much happiness in the future. Rohr Industries is fortunate, indeed."

Meese, an attorney, joined the governor's staff in 1967 as his legal affæirs secretary. He had responsibility for all criminal justice and legal matters involving the governor's office. He also was responsible for the coordination of emergency planning and operations, and supervised the community relations and local government functions of the governor's staff.

He became the governor's executive assistant and chief of staff on February 1, 1969, succeeding William Clark, now a state Supreme Court Justice. In addition to his role as the governor's principal staff advisor, Meese served as chairman of the Emergency Planning Council.

Prior to joining state service, he was Deputy District Attorney of Alameda County (1959-66) where he was a member of the Senior Criminal Trial staff and legal advisor to the county's Grand Jury.

Meese, a native of Oakland, is a 1953 graduate of Yale University with a B.A. degree in political science. He received his law degree from the University of California School of Law in Berkeley, where he served on the faculty in 1965-67.

He is a lieutenant colonel in the military intelligence branch of the U.S. Army Reserves.

Meese and his wife, Ursula, have three children. They will make their home in the San Diego area.

RELEASE: Immediate

#694

Governor Ronald Reagan today announced the appointment of Forrest Duane Martin of Manteca as judge of the Manteca-Ripon-Escalon-Tracy Municipal Court in San Joaquin County.

Martin, 40, succeeds Judge Priscilla Haynes of Lathrop.

Judge Haynes has retired. He is a Democrat.

The city attorney for Manteca since 1968, Martin was the deputy district attorney for San Joaquin County from 1962-64. He also has been in private practice in Manteca since 1964.

Martin is a 1956 graduate of Contra Costa College with an Associate of Arts degree, and received his Law degree in 1960 from the University of California's Hastings College of the Law.

He has been a judge pro tempore of the San Joaquin County Superior Court, and is currently the attorney for the Manteca-Lathrop Rural Fire District.

Martin is a member of the National Panel of Consumer Arbitrators.

He will receive an annual salary of \$37,098.

# # # # # #

MEMO TO THE PRESS

#695

GOVERNOR'S SCHEDULE December 9, 1974 through December 15, 1974

# Monday, December 9

Monday Night Football (Redskins at Rams Game) p.m.

## Tuesday, December 10

11:00 a.m. Medal of Valor Presentation to State Employees,

governor's office

Press Coverage invited

## Wednesday, December 11

2:00 p.m. David Swoap and Dick Petersen, National Welfare

Fraud Association (Presentation of Award to

Governor Reagan.

Press Coverage invited

Farewell Dinner for Governor and Mrs. Reagan, p.m. sponsored by Capitol Correspondents Association, the Society of Professional Journalists and

the Sacramento Press Club, Sutter Club.

7:00 p.m. cocktails 8:00 p.m. dinner

# Thursday, December 12

Christmas Ceremony, North entrance of Capitol 5:00 p.m.

(Mrs. Reagan to attend)

Office Christmas party, Council Room 5:20 p.m.

"Salute to the Reagan Years, " Farewell Dinner for Governor and Mrs. Reagan, sponsored by 6:30 p.m.

Sacramento Republicans, Woodlake Inn.

7:00 p.m. Reception 8:00 p.m. Dinner

# Friday, December 13

No public appointments

## Saturday, December 14

No public appointments

## Sunday, December 15

No public appointments

# # # # # #

Have a nice weekend, guys and dolls:

RELEASE: Immediate

#696

Governor Ronald Reagan today announced the following bill has been signed:

SB 12 - Song Chapter 1 Amends provisions of 1974 legislation relating to the administration of estates involving community property by deferring the effective date of such legislation from January 1, 1975 to July 1, 1975.

RELEASE: Immediate

#697

Governor Ronald Reagan today announced that a special election will be held March 4 to fill the vacancy in the 15th Assembly District in Alameda County caused by the recent death of Assemblyman Carlos Bee (D-Hayward).

The primary will be held on February 4. If no candidate receives more than 50 percent of the vote in the primary election, the two candidates receiving the most votes will meet in the general election on March 4.

Bee died Friday, November 29, 1974, while visiting in San Antonio, Texas.

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RELEASE: Immediate

#698

Governor Ronald Reagan today announced the nomination of Sacramento Superior Court Judge Hugh A. Evans as an associate justice of the state's Third District Court of Appeal.

Judge Evans, 52, will succeed Justice Robert K. Puglia, who has been elevated to presiding justice of the appellate court.

The nomination requires confirmation by the state Commission on Judicial Appointments. Commission members include Chief Justice of the state's Supreme Court, Donald R. Wright; State Attorney General Evelle Younger, and senior Associate Justice of the Third District Court of Appeal, Leonard M. Friedman.

The Third District Court of Appeal, headquartered in Sacramento, includes the counties of Siskiyou, Modoc, Trinity, Shasta, Lassen, Tehama, Plumas, Colusa, Glenn, Butte, Sierra, Sutter, Yuba, Nevada, Yolo, Placer, El Dorado, San Joaquin, Amador, Calaveras, Alpine, Mono and Sacramento.

Prior to his appointment to the Superior Court here, Judge Evans was in private practice in Sacramento and was a deputy district attorney in Sacramento County.

He received his law degree from the University of California's Hastings College of the Law in 1952, after attending Salinas and Hartnell Colleges and serving in the U.S. Army Air Corps during World War II.

Judge Evans is a native of Ogden, Utah.

The member of various professional organizations, including the American, state and Sacramento Bar Associations, Judge Evans has been cited by the County of Sacramento for his service as a member of the county's Civil Service Commission.

He will receive an annual salary of \$48,389.

# # # # # #

RELEASE: Immediate

#699

Governor Ronald Reagan today announced the appointment of Thomas S. Price of Belvedere as a member of the Marin County Board of Supervisors.

Price, a 47-year-old Republican, succeeds Michael Wornum of Mill Valley. Wornum was elected to the California Assembly earlier this year.

A former mayor of Belvedere (1968-69, Price is serving his second four-year term as a member of the City Council. He is in the subcontracting business in the construction industry and operates his own firm in San Francisco.

Price is vice chairman of the Reed Union School District
Board of Trustees. He also was a member of the Bay Conservation
and Development Commission in 1970-71, and is now an alternate
member.

A native of Lakewood, Ohio, Price is a 1950 graduate of Principia College in Elsah, Illinois with a B.A. degree in Economics.

He and his wife Jeanne have two children. He will receive an annual salary of \$18,480.

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RELEASE: Immediate

#700

Governor Ronald Reagan today announced the appointment of Chester Hillyard, D.C., of Vallejo, as a member of the Solano County Board of Supervisors.

Hillyard, 53, succeeds Alfred C. Siegler of Vallejo.
Siegler was elected to the state Assembly earlier this year.

A Republican, Dr. Hillyard is a native of La Salle, New York.

He is a 1950 graduate of the University of Natural Healing Art

in Denver and has completed post graduate work at the Los Angeles

College of Chiropractic.

Hillyard is a member of the Solano County Taxpayers Association, the Solano County Peace Officers Association, and is a past commander (1959) of the Vallejo American Legion. He is a past president of the American College of Chiropractic Orthopedists and received the organization's Distinguished Service Award in 1971.

He and his wife Evelyn have three children. He will receive an annual salary of \$11,340.

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RELEASE: Immediate

#701

Governor Ronald Reagan today announced the appointment of Richard S. Yoshikawa of Stockton as a member of the San Joaquin County Board of Supervisors.

Yoshikawa, a Republican, succeeds Carmen Perino who was elected to the state Assembly earlier this year.

A professional photographer who operates his own studio, Yoshikawa is chairman of the San Joaquin Delta College Board of Trustees and has been a member since 1964.

Yoshikawa is a former president of the Stockton Japanese

American Citizens League and is a former president of the Stockton

Optimist Club.

He was the 1971-72 lieutenant governor of Zone Three of the California-Nevada District of Optimist International.

He will receive an annual salary of \$13,200.

# # # # #

RELEASE: SUNDAY

December 15, 1975

#702

Governor Ronald Reagan today announced his assistant and director of programs and policy, Donald G. Livingston, has accepted the position of Secretary, with additional responsibilities for government relations, of Carter Hawley Hale Stores, Inc., of Los Angeles.

Livingston, 36, will assume his new duties with the nationwide department store chain in January.

In making the announcement, Governor Reagan said:

"Once again I am happy to announce that a key member of my executive staff will be taking on a major role in free enterprise.

He will leave state service with our very best wishes for continued success and happiness.

"Don has been a member of our team since 1967, and has made major contributions to our legislative program, particularly those dealing with environment, consumer affairs and energy. I will always be grateful for his counsel and the excellent job he has done in these complex fields."

Livingston joined the Reagan administration in 1967, serving in several executive positions. Prior to joining the governor's executive staff, he was director of the Department of Consumer Affairs, the youngest director in the history of that department.

A native of Oakland and a third generation Californian, Livingston is a graduate of San Francisco State University with a B.A. degree in Urban Studies. He also has completed graduate work in Public Administration at Golden Gate University in San Francisco and is a graduate of the Coro Foundation Fellowship Program.

Livingston's public service includes the presidency of the Coro Foundation and the chairmanship of its board of trustees.

He and his wife Dodie and their son David will make their home in the Los Angeles area.

# # # # # #

MEMO TO THE PRESS

#703

GOVERNOR'S SCHEDULE
December 16, 1974
through
December 22, 1974

Monday, December 16 through Sunday, December 22

No public appointments scheduled

RELEASE: Immediate

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Governor Ronald Reagan today announced the appointment of Tyler P. Berding of Woodland as a member of the California State Veterans Board.

The appointment requires confirmation by the state Senate.

Berding, 30, fills the vacancy created by the resignation of Wing K. Fat of Sacramento.

A Republican and member of a Sacramento law firm, Berding was a counsellor and director of the veterans program at the University of California at Davis. He created and implemented the school's Veterans Special Education Program, and was instrumental in establishing the Northern California Regional Advisory Council for veterans.

In 1973, he helped form the Veterans New Life Corporation, a nonprofit organization providing special training opportunities for veterans.

A veteran of the U.S. Air Force, Berding is a graduate of Claremont College with a Ph.D. in Government Administration.

He received his law degree from the University of California at Davis.

Veterans Board members receive \$20 a day for each board meeting.

OFFICE OF GOVERNOR RONALD REAGAN RELEASE: Immediate Sacramento, California 95814 Clyde Walthall, Press Secretary 916-445-4571 12-16-74 #705 Governor Ronald Reagan today announced the appointments of 13 members to the Sir Francis Drake Commission, created by the 1973 legislature. The commission will plan and execute commemorative activities to celebrate the 400th anniversary of Sir Francis Drake's circumnavigation of the earth in 1577 to 1580. Governor Reagan appointed William L. Shaw of Sacramento, a deputy attorney general since 1946, as president of the commission. Shaw, 65, is a Republican: He is also a member of the American Revolution Bicentennial Commission of California.

Other commission members appointed by the governor, include:

- --Ray A. Billington of San Marino. Billington, a 61-year-old Democrat, is a noted historian and educator with offices in the Huntington Library and Art Gallery in San Marino.
- --Arthur L. Blum of San Francisco. Blum is a 51-year-old Republican, and operates a public relations and advertising agency in San Francisco.
- --Stanton H. Delaplane of Mill Valley. Delaplane, a 67-year-old political independent, is a Pulitzer Prize winning columnist and reporter for the San Francisco Chronicle.
- --Mrs. Albert Doerr of Pasadena. Mrs. Doerr, who declines to state her political party, is a member of the California Historical Society.
- --Albert D. Elledge of San Francisco. Elledge, a 71-year-old Republican, is an attorney and businessman in San Francisco.
- --James D. Hart of Berkeley. Hart, a 63-year-old Democrat, is director of the University of California's Bancroft Library.
- --William M. Mills of Fair Oaks. Mills, a 36-year-old Republican is best known as the 1964 winner of an Olympic Gold Medal for the 10,000 meter run. He is in the insurance business in the Sacramento area.
- --Neill Morgan of La Jolla. Morgan, a 50-year-old Democrat, is a columnist for the San Diego Evening Tribune.

- 1 -

--Alfred W. Newman of Vallejo. Newman, 53-year-old Republican, is an attorney in private practice.

--Robert H. Power of Vacaville. Power, 48-year-old Republican, is owner of the Nut Tree on Interstate 80.

--R. Harold Hartsough, Jr., of Tiburon. Hartsough, 62-year-old Republican, is the retired assistant vice president of public affairs for the Pacific Telephone Company in San Francisco.

--Norman J. W. Thrower of Pacific Palisades. Thrower, a 55-year-old Republican, is a professor of geography at the University of California at Los Angeles.

Commission members are not paid for their services.

Representatives of Governor Reagan will join Assemblyman Bob McLennan and Ed Koupal, head of the People's Lobby, at a press conference Tuesday, December 17 at 10 a.m. in Room 1190 in the Capitol to announce introduction of campaign reform legislation. Assemblyman Dixon Arnett will also be present.

The four-bill package includes legislation to:

- --establish a September primary election;
- -- ban campaign contributions by office holders;
- --regulate and limit corporate, union, and association campaign contributions;
- --prohibit the involvement of exempt and civil service employees in political campaigns during working hours.

RELEASE: Immediate

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#706

Governor Ronald Reagan today announced the appointment of two San Francisco Municipal Court judges to the Superior Court.

The appointees are Thomas J. Dandurand and Eugene F. Lynch.

Dandurand, 41, will succeed Judge Clayton Horn, who retires

December 24. Dandurand has been on the Municipal Court bench

since 1971. A native of Los Angeles, he is a graduate of Stanford

University and earned his law degree from the University of San

Francisco Law School.

He is a member of the American Bar Association, the San Francisco Bar Association, the Association of Insurance Defense Counsel and the California Trial Lawyers Association.

Lynch, 43, will fill the vacancy created by the December 31 retirement of Judge Leland Lazarus.

A native of San Francisco, Lynch is a graduate of Santa Clara University and received his law degree from the University of California's Hastings College of the Law.

Lynch is a member of the State Bar of California, the Attorney's Probate Association, the Northern California Defense Counsel and the San Francisco Bar Association.

Both Superior Court judges will receive \$40,322 a year.

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RELEASE: Immediate

#707

Governor Ronald Reagan today announced the appointment of Raymond J. Arata, Jr., and J. Dominique Olcomendy to the San Francisco Municipal Court.

Arata, 38, a San Francisco attorney who makes his home in Daly City, succeeds Judge Thomas J. Dandurand, who is being elevated to the Superior Court December 24.

A native of San Francisco, Arata is graduate of the City College of San Francisco, the University of California at Berkeley and received his law degree from the University's Hastings College of the Law.

He is a member of various bar associations and is a former cochairman and advisor to the San Francisco Explorer Scouts.

Olcomendy, 40, will succeed Judge Eugene F. Lynch who will be elevated to the San Francisco Superior Court December 31.

Born in Stockton, Olcomendy is a graduate of the University of San Francisco, and earned his law degree at the University's School of Law in 1959.

In addition to his private practice, Olcomendy has taught corporate law at his alma mater since 1970.

He is a member of the California State Bar, the American Bar Association, and the St. Thomas More Society.

Judges of the San Francisco Municipal Court receive an annual salary of \$37,098.

OFFICE OF GOVERNOR RONALD REAGAN RELEASE: ON RECEIPT Sacramento, California 95814
Clyde Walthall, Press Secretary

12-19-74

916-445-4571

#708

Editor's note: Since mental health was an issue inherited by the Reagan Administration, and has been in the news periodically during his administration, the governor has prepared the following article to put the subject in proper perspective.

## BY RONALD REAGAN GOVERNOR OF CALIFORNIA

In 1967, shortly after I became governor of California I set out to change the direction and character of the state's mental health program.

At the time, I said that the goal of my administration would be to foster conditions to prevent or minimize mental breakdown.

In the absence of more specific knowledge about causes and treatment, the practical goal we set for the program was development, maintenance and restoration of social and personal equilibrium for the patient, despite emotional stress.

We proposed to assist the mentally ill to achieve a reasonable operating level. We would provide treatment and supportive services to permit people to stay at home, functioning at a reasonable level at work or in school.

Ten years earlier, California had taken the first step to modernize its mental health program. There was growing awareness that the old system was a failure. It had stripped some individuals of their civil and legal rights and their dignity.

Despite 20th century advances in psychiatry, the system was based on the ancient practice of incarceration, exemplified by Britain's legendary Bedlam, where people could be locked up for years or for life, simply because they were "different," or because somebody disliked them, but primarily because nobody knew how to treat them.

In 1957, California enacted legislation to change that by shifting the emphasis from hospitalization to outpatient treatment in local community facilities. Opposition arose from an entrenched establishment determined to perpetuate jobs, and by some professionals and authorities for whom change would be tantamount to acknowledging that the old program wasn't working. Fulfillment of the legislative mandate was stymied as a result.

That legislation, the Short-Doyle Act, resulted from a searching appraisal by the state to evaluate its system of treatment and care for the mentally disordered. Investigators found overcrowded state hospital wards. Treatment was often nonexistent, with little likelihood that patients would improve enough to resume their former lives. Mental illness---or even mere treatment for a temporary emotional problem---created a stigma that hindered recovery.

The outlook for the future was discouraging. California was experiencing phenomenal population growth, and the incidence of mental illness and retardation was increasing proportionatly. With 14 state hospitals in operation, authorities estimated that additional hospitals for the mounting caseload would be needed at the rate of one every 18 months.

A comprehensive university study had concluded that patients with mental illness cannot get well inside a mental hospital.

Legislative investigations and public hearings agreed that "warehousing" mental patients in large institutions was dehumanizing and damaging.

It wasted human and financial resources. And it was barbaric.

The Short-Doyle Act committed California to sharing with its counties the cost of developing community mental health programs, first on a 50-50 basis, then with a formula that increased the state share to 75 percent. The Short-Doyle Act was amended in 1967 to make the state responsible for 90 percent of the cost of mental care.

The philosophy of replacing hospital confinement with community-based treatment proved successful. We moved to strengthen and expand the program. In 1968, the Lanterman-Petris-Short Act became law--- the first legislative protection for the individual rights of mentally disordered persons. Reversing the old philosophy, the new law promoted voluntary treatment. It made involuntary treatment the last resort instead of the first.

By 1972, all 58 California counties had established community mental health programs under the Short-Doyle law. The system has become a model for other states, and is studied and emulated throughout the world.

But cherished concepts, however wrong, die hard. It had been axiomatic that "crazy people should be locked up where they can't hurt anybody." There were ominous warnings that "turning them loose" would endanger public safety.

In 1970 when we closed the first of three state hospitals no longer needed there was sharp opposition from those whose jobs were eliminated. They didn't realize that under the new system, more jobs would be created, because individualized treatment requires a higher ratio of professionals-to-patients than does institutionalization. Many of those same employees of large hospitals ultimately transferred their skills to new jobs in smaller facilities, in order to provide better care to fewer patients on a more personal and specialized basis.

The Short-Doyle system has grown rapidly, from six programs in 1957 with a budget of \$37,000, to 42 programs in 1967 costing \$18.6 million. Today, all 58 counties participate. For its 90 percent share of the cost of mental health services, the state will this year reimburse its counties \$115 million.

As the emphasis shifted to community treatment, the mentally ill patient population in state hospitals declined from its 1959 peak of 37,500 to less than 22,000 in 1967, despite enormous population growth during those eight years.

Now, seven years later, there are only 6,000 resident patients in the state's five remaining hospitals for the mentally ill.

(The others treat mentally retarded patients). By contrast, New York has almost 40,000 patients in its state hospitals.

With the declining patient population, we have been able to increase the square footage for each patient from 55 in 1967 to a minimum of 70 square feet today. And with fewer patients, we have been able to raise staffing standards to provide better hospital care.

Focus of the program is now in the communities. Last year, there were 2.5 million community mental health outpatient visits, compared to 81,000 in 1967.

Today, more people are receiving better care, closer to home, more quickly and with less disruption in their lives than ever before.

Under the old system, a mental patient lost more legal and civil rights than a convicted felon. Today, he enjoys all those rights, plus the right of confidentiality, so that he will not be stigmatized later in life by unauthorized, unnecessary exposure of his medical history.

Patients are no longer committed to state hospitals for indeterminate periods. Today, the average hospital stay for a mentally ill person ranges from 14 to 17 days.

In the communities, the patient's progress is followed carefully. When he achieves his maximum potential, he is encouraged to strive for the next highest level.

We have come a long way toward modernizing and humanizing mental health care in California, but there is still a long way to go.

A major problem is the public attitude toward the mentally ill and retarded.

Most mental patients are unhappy, lonely individuals who suffer quietly and passively. For generations the human tendency to fear and suspect those who may be "different" has consigned such persons to institutions. Such discrimination denies patients their best hope for rehabilitation in a homelike setting.

We cannot legislate understanding, but the knowledge that mental disability can strike anybody at any time should arouse our compassion. In most cases the problem is a temporary emotional disturbance, with complete recovery likely under modern treatment. A nervous breakdown is as curable as a broken limb. All it takes is time and the proper treatment. Because of the special nature of mental disorder, it also requires the acceptance and understanding of good neighbors.

We must stop fearing the mentally afflicted because they seem to be different. We must get to know them, and accept them as neighbors who are suffering the emotional equivalent of a bad cold or flu---hardly a cause for guarantine.

That is what California's mental health program is all about.

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MEMO TO THE PRESS

GOVERNOR'S SCHEDULE
December 23, 1974
through
December 30, 1974

Monday, December 23

No public appointments scheduled

Tuesday, December 24

No public appointments scheduled

Wednesday, December 25

Christmas Day

Thursday, December 26

No public appointments scheduled

Friday, December 27

No public appointments scheduled

Saturday, December 28

No public appointments scheduled

Sunday, December 29

No public appointments scheduled

Monday, December 30

10:30 a.m.

NEWS CONFERENCE
Greater Los Angeles Press Club
600 N. Vermont, Los Angeles

# # # # # #

RELEASE: Immediate

#710

Governor Ronald Reagan today announced the appointment of Inglewood Chief of Police Jay R. Stroh as a member of the state's Commission on Peace Officer Standards and Training.

The appointment requires confirmation by the state Senate.

Chief Stroh, a 45-year-old Republican, fills the vacancy created by the retirement of Robert S. Seares, chief of the Pasadena Police Department.

A native of Torrance, Chief Stroh is a 1951 graduate of the University of Southern California with a B.S. degree in Public Administration. He also has done graduate work at the University and has taught law enforcement related subjects at El Camino College.

Stroh has been a member of the Commission's Advisory Committee since 1969.

Commission members receive their necessary expenses when on official business.

# # # # # #

RELEASE: Immediate

#711

Governor Ronald Reagan today announced the appointment of Sacramento attorney John M. Sapunor as judge of the Sacramento County Superior Court.

Sapunor, 55, succeeds Judge Hugh Evans, who has been elevated to associate justice of the Third District Court of Appeal in Sacramento.

A practicing attorney in California since 1948, Sapunor is a 1941 graduate of Santa Clara University, where, in 1949, he received his Doctor of Jurisprudence degree.

Sapunor is a former deputy district attorney of Sacramento County. He is presently a partner in the Sacramento law firm of Wilke, Fleury, Sapunor & Hoffelt.

He has served on the Sacramento and California State Bar
Associations' committees regulating the practice of law; he is a
member of the Sacramento County Bar Association Council; and has
served as chairman of the Sacramento County Bar Association
Judicial Qualifications Committee.

Sapunor will receive an annual salary of \$40,322.

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Release; Immediate

#712

Governor Ronald Reagan today announced the appointment of Santa Maria Municipal Court Judge Richard C. Kirkpatrick as judge of the San Luis Obispo County Superior Court.

Kirkpatrick, 44, succeeds the late Judge James Madden.

A graduate of South Western University Law School,
Kirkpatrick has been a judge of the Santa Maria Municipal Court
since November of 1969.

A former member of the Los Angeles County Sheriff's

Department, Kirkpatrick is a former deputy district attorney at

Santa Barbara County.

Kirkpatrick is a former governmental affairs committee chairman of the Santa Maria Chamber of Commerce, and chairman of the city's Bar Association Committee re Public Defender. He also headed the attorneys' division of the Santa Maria Community Chest program.

He is a member of the California State, Santa Barbara, Santa Maria and Los Angeles Bar Associations.

Kirkpatrick will receive an annual salary of \$40,322.

RELEASE: Immediate

#713

Governor Ronald Reagan today announced the appointment of Robert E. Franck of Lincoln as a member of the board of directors of the 20th District Agricultural Association, sponsor of the Auburn District Fair.

Franck, a 38-year-old Republican, is a cattle rancher and operates a cattle transportation business in the Lincoln area. He fills the vacancy created by the resignation of Charles Hayden of Auburn.

He and his wife Joyce have three children.

Board members receive their necessary expenses.

# # # # #

RELEASE: Immediate

#714

Governor Ronald Reagan today announced the appointment of Donald E. Van Luven, Jr., as judge of the San Bernardino County Municipal Court District.

Van Luven, 36, succeeds Judge Roy Chapman, who has been elected to the San Bernardino County Superior Court.

A former deputy district attorney in Barstow, Van Luven has been court commissioner of the San Bernardino County Municipal Court since 1971.

He is a 1960 graduate of the University of California at Berkeley and received his law degree in 1965 from the University's Hastings College of the Law.

Van Luven is a member of the San Bernardino Park and Recreation Commission, the California Association of Park and Recreation Commissioners and Board Members, the Sierra Club and the Inland Fish and Game Conservation Association.

In addition, he is a member of the California and San Bernardino County Bar Associations, the Criminal Defense Attorneys Association, and the American Judicature Society.

Van Luven will receive an annual salary of \$37,098.

# # # # #

RELEASE: Immediate

**#715** 

Governor Ronald Reagan today announced the appointment of Sunnyvale-Cupertino Municipal Court Judge James A. Wright to the Santa Clara County Superior Court.

Wright, 53, succeeds Judge James B. Scott of Saratoga.

Judge Scott has been elevated to the 1st District Court of Appeal
in San Francisco.

A native of Midwest, Wyoming, Judge Wright has served on the Municipal Court bench since May, 1972. He has been a practicing attorney in the San Jose area since 1949, and was a partner in the firm of Miller, Morton, Wright, Caillat and Nevis.

He has served as president of the Santa Clara County Bar Association, and is a member of the Santa Clara County Trial Lawyers Association, the American Trial Lawyers Association and the American Bar Association.

Judge Wright is a 1943 graduate of the University of Santa Clara where he received his law degree in 1949.

He will receive an annual salary of \$40,322.

# # # # # #

RELEASE: Immediate

#716

Governor Ronald Reagan today announced that his Assistant and Director of Administration, Michael K. Deaver, and his Assistant and Director of Public Affairs, Peter D. Hannaford, are forming a new company, Deaver & Hannaford, Inc., to consult with clients on public relations, government relations and marketing matters.

Deaver, 36, and Hannaford, 42, will activate the firm in January, with offices in Sacramento, Oakland and Los Angeles.

In making the announcement, Governor Reagan said:

"Again, I am happy that key members of my staff will be playing important roles in private enterprise when they leave state service. They have my best wishes for success and happiness in their new venture.

"Mike Deaver has been an invæluable member of our team since 1967.

He has been the chief administrative officer and manager of the Governor's office, with a wide range of responsibilities and duties which he has carried out with dedication and great effectiveness. He has done an excellent job."

Deaver first joined the administration as assistant to the cabinet secretary. Before that he was with the Republican State Central Committee, the Santa Clara County Republican Central Committee and IBM Corporation. He is a graduate of San Jose State University.

The governor said of Hannaford, "though he joined us late in the administration, for the final year, with responsibility for overall communications, his counsel has been most valuable and his talents effectively demonstrated. He, too, has done an excellent job."

Hannaford served as vice chairman of the governor's Consumer Fraud Task Force (1972-73) and was the governor's appointee to the bi-state Tahoe Regional Planning Agency and California Tahoe Regional Planning Agency (1973). In 1972 he was the Republican nominee for U.S. Congress in the then 7th District. Prior to joining the Reagan administration he had been in public relations and advertising in the Bay Area since 1957. He is a graduate of the University of California, Berkeley.

# # # # # #

RELEASE: Immediate

#717

Governor Ronald Reagan today announced the appointment to a four-year term of Wendell P. Hammon of Saratoga as a member of the California Advisory Board to the Bureau of Employment Agencies.

Hammon, a 56-year-old Republican, fills the vacancy created by the resignation of Robert W. Stuart of San Rafael.

A graduate of San Jose State University, Hammon is a former insurance and real estate agent. He is now a general appraiser and operates his own business.

Advisory Board members receive \$25 a day per diem and expenses when on official business.

# # # # #

RELEASE: Immediate

#718

Governor Ronald Reagan today announced the appointment to a four-year term of Thomas N. Snortum, DVM, of Los Angeles as a member of the Board of Examiners in Veterinary Medicine in the Department of Consumer Affairs.

Dr. Snortum, a 46-year-old Republican, succeeds R. Scott Jackson, DVM, of Chino. Dr. Jackson has resigned.

A former president of the Southern California Veterinary Medical Association, Dr. Snortum is a 1955 graduate of the School of Veterinary Medicine at the University of California at Davis.

Board members receive \$25 a day per diem when on official business.

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RELEASE: Immediate

#719

Governor Ronald Reagan today announced he has designated State
Senator Dennis E. Carpenter chairman of the Commission of the Californias.

The governor also announced the appointment of Ignacio E. Lozano, Jr., of Newport Beach as a member of the Commission.

Senator Carpenter, a 46-year-old Republican, was appointed to the Commission by the Senate Rules Committee. He succeeded former Lieutenant Governor Ed Reinecke.

The Commission is responsible for promoting the interests of California and Baja California, Mexico. Its' membership includes representatives from both areas.

Senator Carpenter, who speaks Spanish fluently, is a former special agent with the Federal Bureau of Investigation and was on special assignment in Mexico. He has traveled extensively throughout the country and South America.

Lozano, 44, is the editor and publisher of La Opinion in Los Angeles.

A Republican, he is a former executive director of the Commission of the

Californias, and is a 1947 graduate of the University of Notre Dame.

Commission members receive their actual and necessary expenses when on official business.

# # # # # # # # #

RELEASE: Immediate

#720

Governor Ronald Reagan today announced the reappointment to four year terms of Robert A. Mellin of San Francisco and Patrick John Riley of Placerville as members of the State Board of Accountancy in the Department of Consumer Affairs.

Mellin, 55, a political independent, is a Certified Public Accountant and a partner in the CPA firm of Hood and Strong in San Francisco.

He is a 1941 graduate of the University of Minnesota and has completed graduate work at Golden Gate College in San Francisco.

Riley, a 44 year old Republican, is a partner in the Placerville law firm of Beverly and Riley. He is a 1953 graduate of the University of Notre Dame and received his law degree in 1956 from the University of California's Boalt Hall.

He is a former member of the El Dorado Union High School District Board of Trustees and was a member of its Advisory Commission on School District Budgeting and Accounting.

Board members receive \$25 per day when on official business.

# # # # #

RELEASE: Immediate

#721

Governor Ronald Reagan today announced the appointments of Oren W. Tremonti of Sonoma and Richard J. McRostie of San Rafael to unexpired terms as members of the Sonoma State Hospital Advisory Board.

Tremonti, a 60 year old Republican, retired in January of this year as assistant superintendent of the hospital's nursing services. He joined the hospital's staff in 1935. He succeeds Charles DeMeo of Sonoma, who has resigned. His term expires December 16, 1976.

McRostie, a 49 year old Democrat, is a retired commander with the U. S. Navy and is area development coordinator for the United Negro College Fund in San Francisco.

He fills the vacancy created by the resignation of Sally Ann Ryan of San Rafael. His term expires December 16, 1975.

Advisory Board members receive their necessary expenses when on official business.

# # # # # # #

RELEASE: Immediate

#722

Governor Ronald Reagan today announced the appointment to a four year term of R. Thomas Allen, assistant director of the state's Department of Benefit Payments, as a member of the Commission on Uniform State Laws.

Allen, a 32 year old Republican, succeeds Theodore B. Olson of Palos Verdes Estates. Olson's term has expired.

A native of Santa Maria, Allen is a former assistant legal affairs secretary to Governor Reagan. He is also a former assistant public defender of Sacramento County.

Allen is a partner in the Sacramento Law firm of Allen and Dixon.

He is a 1965 graduate of the California State Polytechnic College in San Luis Obispo, and received his law degree in 1970 from Humphrey's College in Stockton.

In 1973, Allen served on the steering committee to Governor Reagan's Select Committee on Law Enforcement Problems. He also was a member of the Advisory Committee to Project: Safer California, which developed standards and goals for the criminal justice system at the governor's recent Conference on Criminal Justice.

Allen and his wife Pamela have one daughter.

Commission members receive their necessary travel expenses.

# # # # # # #

RELEASE: Immediate

#723

Governor Ronald Reagan today made the following statement at the Los Angeles Press Club:

"I have said before that 'government works if the people work at it.' In these eight years, I have tried, to prove that it is true. Hundreds of men and women left major jobs in the private sector to join us for periods ranging from a few months to several years to help make government more efficient; to keep in under control. When I came to office in 1967 I said that I wanted to find common sense solutions to problems. Not every problem has been solved, of course, and new ones have come along, but on balance I think we have accomplished something. We brought a runaway welfare system under control and, based on our welfare reform experiences, many other states are successfully emulating California. Now, California has even proposed a blueprint for reform nationwide. When we leave there will be virtually the same number of state employees as when we came. This means that productivity has increased sharply in most departments and agencies of state government. And, for the first time in more than twenty years, the outgoing governor will leave the new governor a surplus--in this case approximately \$400 million.

"Individual liberty depends upon keeping government under control.

I have learned that you must guard constantly against the government's tendency to want to grow and grow. This is coupled with the tendency of those groups with a vested interest in big government to campaign ardently for such growth, to the exclusion of virtually any other consideration.

"What we have experienced and learned I want to communicate to others when I leave office. I want to share one of my disappointments, too, for I think it is an idea whose time is here. That is, a limitation on the percentage of the people's total income that government may take to run its affairs. Our tax limitation initiative did not pass in 1973, but today some eleven other states have similar plans under consideration.

"The hour is late in America for freedom and liberty.

"The doomsayers keep telling us that America's problems can be solved only by government regulation. So, slowly but certainly, we are allowing government to intrude more and more into our lives; to dig deeper and deeper into our pocketbooks. America and its people have great strength. They can reverse this erosion of freedom; and I want to do everything I can to help.

"There has been much speculation about my activites when I leave office. Now, I would like to share some specific plans with you:

"As you know, I will have a daily radio program of commentary which goes on the air January 20. It is being syndicated nationally. I was delighted to learn that a station serving my hometown of Dixon, Illinois was the first one to sign up. There are some other important markets, too, among the first 100 to sign: WHO, Des Moines; WOC, Davenport, Iowa, where I got my first job; San Diego, Seattle, Denver, Phoenix, Kansas City, and San Antonio, to name a few. The producer tells me he expects most of the nation's major markets to be included by the time we go on the air.

"Beginning the week of January 13, I shall also be writing a weekly newspaper column for the Copley News Service.

"I will begin my first speaking tour in just two weeks in Dallas, San Antonio, Nashville and Richmond, Virginia.

"Several offers have come to me to write a book in 1975 and they are under serious consideration.

"Two of my assistants, Michael Deaver and Peter Hannaford, are opening a new public relations firm, Deaver & Hannaford, and I have retained their services to manage and coordinate my program of activities. They have assembled a small support staff for me.

Included in it will be my secretary since 1969, Helene von Damm;

Nancy Reynolds, who has served as a Special Assistant to the Governor since 1967; Willard Barnett, retired California Highway Patrol Officer, who has served as my driver for eight years; Dennis LeBlanc, from the security detail; and clerical personnel. My office will be in the Westwood area of Los Angeles."

OFFICE OF GOVERNOR RONALD REAGAN RELEASE: Immediate Sacramento, California 95814 Clyde Walthall, Press Secretary 12-30-74 916-445-4571 #724 Governor Ronald Reagan today sent the following letter to California's congressional delegation, other members of the Congress and all 50 of the nation's governors concerning the proposed federal Income Supplement Program: "President Ford's administration has indicated a desire to renew the attack on welfare problems and inequities. I have communicated to the President my belief that this renewed effort should be based on proven methods of reform and not on untried panacea, such as the proposed Income Supplement Program. "Here in California (and in several other states), the welfare caseload has been declining steadily as a result of reforms which improved eligibility standards and administrative procedures. fact, in California since the reform program began we have been able to increase the average grant to the truly needy by 42 percent. "True reform of welfare will require the cooperative efforts of local, state and federal officials. Utilization of techniques which have already proved successful can avoid---at the national level--the pitfalls inherent in the I.S.P. proposals. "The fundamental concept of welfare in the United States has always been to provide assistance to those in true need. For the most part this has amounted to temporary assistance, for the recipients do not represent a static population, but a changing one. ISP would replace this concept with one based on a guaranteed minimum income. Associating it with the tax system, as has been proposed, would only serve to institutionalize this radically different concept. "I must oppose the I.S.P. scheme in concept, philosophy and basic design. No one can deny that the current arrangement of welfare payments and food stamp distribution is wasteful, inefficient, complex and unfair to both recipients and taxpayers. But to replace it with an unsound new scheme is not the same as achieving effective reform. "ISP has been billed as a replacement for existing welfare programs. Even if it were passed, it is very unlikely that Congress would refrain from adding various additional benefit programs or would eliminate all of the existing ones. Politically, ISP would serve as a jumping off point for the proponents of a welfare state. A concerted campaign by so-called welfare 'rights' proponents and their allies would most likely result in compromises that would be more, not less, liberal. "As details of ISP emerge, they raise questions and specific problems. For example: --It would double the number of persons receiving cash handouts and drastically reduce the number of taxpayers shouldering the total burden of government. --It would cost \$26.5 billion more each year than the current program. This contrasts with a saving of \$1.87 billion which could be achieved under California's 'Blueprint for National Welfare Reform' submitted by a special task force in September. -- 'Federalization' of all welfare is no panacea, as the problems associated with Supplemental Security Income attest. So far, federal takeover of the five million adult aid cases under that program has been a disaster. ISP proposes a similar takeover of all 41 million recipients. If the aged, blind and disabled---who require little or ISP proposes a similar takeover of all 41 million no monthly eligibility determination to get their five million monthly checks --- has been too much for the Social Security Administration to handle, how can IRS expect to cope with several times that many individually redetermined claims each month?

--ISP does not address itself to state supplements. Some states, such as California, pay benefits higher than ISP proposes. If we don't continue a supplement under ISP, our recipients would suffer a benefit cut. If we do pay it, who would determine eligibility, and how would such payments be treated by IRS?

--'Simplification'---by replacing present welfare with ISP---would be illusory unless eligibility checking is weakened or eliminated. And, that would result in welfare-by-affirmation.

--ISP purports to make it possible to reduce the army of state and county employees now administering welfare programs. That was also the promise of HR 1 in the federal takeover of the relatively simple adult aid categories by Social Security almost a year ago. To date, no such reductions have been possible and, worse, the federally-administered system is incapable of getting ineligible persons off the rolls in timely fashion except when they die. It is difficult to imagine how IRS---or any other federal agency---could manage several times as many AFDC individual cases and childless couple cases each month, when most of them are much more complicated.

--Effectiveness of the proposed work requirement is doubtful, given the avowed opposition of the H.E.W. staff.

"As we learn more about this new scheme to redistribute the taxpayers' earnings as 'guaranteed income', I'm afraid it will show more and more flaws, or at the very least be as complex, cumbersome and unmanageable as the present nonsystem.

"There is an alternative with demonstrated effectiveness. Our California 'Blueprint' outlines what has been done through reform at the state level and what still needs to be done to make welfare manageable on a nationwide scale.

"The major problem today lies in the area of food stamps. ISP proposes to do away with the stamps, substituting cash. Yet, food stamps prevent taxpayers' cash from being used to purchase liquor, tobacco, jewelry and other nonessential luxuries. The program does need greatly improved eligibility standards and administration, however, and the means are detailed in our Blueprint.

"There are federal barriers to effective welfare reform that must be removed if we are to bring caseloads under control. I have urged the President to seriously consider our 'Blueprint' in detail. It bases cash payments on demonstrated need. It would control food stamps. It would provide for the truly needy and prevent abuse by the non-needy (something the ISP scheme cannot do). All of this can be accomplished at lower cost than the present system, and far lower expense than ISP.

"Some have dismissed our reforms out-of-hand as 'only tinkering'; however, carefully planned, detailed welfare reform is no more 'tinkering' than is piloting a space vehicle or managing a large, complex business. It can be done, given the will and the technical knowledge."

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RELEASE: Immediate

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Governor Ronald Reagan today announced that California has joined in an effort to head off provisions of the Fair Labor Standards Act that could cost the state \$16 million a year or more.

The suit was filed by the National League of Cities and the National Governors' Conference to halt the operation of recent amendments to the Act. Labor Secretary Peter J. Brennan is the defendant.

Signed into law April 8 by President Nixon, the amendments would force state and local governments to reduce the hours of work of police and fire personnel starting January 1 or pay overtime.

A three-judge United States District Court panel will hear a request for a preliminary injunction against the new regulations Monday (December 30) in Washington, D.C. An order allowing California to join in the suit challenging the constitutionality of the amendments as they affect state and local governments was signed Thursday (December 26) by Federal District Judge John Pratt in Washington.

Virtually eliminated by the new regulations based on the 1974 amendments to the act would be the long-standing practice of awarding compensating time off to state and local government employees for overtime work. State Finance Director Verne Orr said the resulting cost to California alone would be at least \$16 million a year.

"We predict that the mutual aid program among local fire services in California also would be doomed because smaller jurisdictions would be unable to afford to pay the overtime involved, "Governor Reagan said. "This could result in an additional cost to the state of \$6 million a year."

The 1974 amendments already have forced the California Highway Patrol Academy to cut its training program from 2,080 hours to 960 hours to avoid the \$750,000 cost of paying cadets for time spent eating and sleeping.

An early ruling by the panel is expected on the request for an injunction pending resolution of the suit by the United States Supreme Court. The suit contends the 1974 amendments unconstitutionally interfere with the sovereign functions of state and local government.

California has advanced a similar argument in the pending suit of the State of Ohio against application of cost of living regulations to the salaries paid state employees.

"We believe the 1974 amendments to the Fair Labor Standards Act are patently unconstitutional," Governor Reagan state. "They are just another example of the California taxpayer having to bear the burden of additional costs for vital government services without concurrent increases in the level or quality of the services.

"Accordingly, we have elected to decline respectfully to implement the regulations and are seeking injunctive relief against their operation pending resolution of the constitutional issues."

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RELEASE: Immediate

#726

Governor Ronald Reagan today announced the appointment of Arnold Beckman of Corona Del Mar and Sacramento attorney Gene E. Pendergast, Jr., as members of the Advisory Committee for Selection of the Regents of the University of California.

The Advisory Committee was established by the passage of Proposition 4 at the November election. It requires the governor to consult with the 12-man advisory committee in selecting his appointees to the Regents. The committee consists of the Speaker of the Assembly, President Pro Tempore of the Senate, Chairman of the Regents, a member of the faculty chosen by the academic senate of the University, a student of the University chosen by the Council of Student Body Presidents, an alumnus chosen by the University's alumni association, and six members of which two each are appointed by the governor, the Speaker and the Senate Rules Committee.

Beckman, a 74-year-old Republican, is chairman of the board of directors of Beckman Instruments, Inc., in Irvine.

He was given a two-year term.

Beckman is chairman emeritus of the board of trustees of the California Institute of Technology, and is a member of the advisory board to the California State University at Fullerton.

Pendergast, a 34-year-old Republican, received a four-year term. He is a 1961 graduate of the University of California at Davis and received his law degree in 1964 from the University's Boalt Hall in Berkeley.

Costs of the Advisory Committee have not been determined at this writing.

# # # # #

RELEASE: Immediate

#727

Governor Ronald Reagan today issued an Executive Order creating a new government unit, the Coordinating Office for Public Service Employment (COPSE). COPSE will serve as the central point for handling non-civil service appointments to state government positions through the Public Service Employment program (PSE).

This Public Service Employment program is a federallyfunded program (Title II of the Comprehensive Employment and Training
Act of 1973), which aims to counter high unemployment by providing
temporary public service jobs for the unemployed in areas where the
unemployment rate is 6.5 percent or higher.

funds for PSE jobs are included in the revenue sharing funds returned by the federal government to cities and counties with populations of 100,000 or more (referred to as Prime Sponsors). State government departments and other state agencies will be hiring through sub-grant arrangements with these prime sponsors and the public service jobs will be in the prime sponsors' areas.

The new unit, COPSE, will be the hiring agent for all state government positions in the PSE program. COPSE will, in effect, be acting for the governor, since the positions created will be filled by governor appointees exempt from the usual civil service procedure.

The jobs will be in positions additional to the regular civil service lists and will not affect civil service opportunities and promotions. They will be transitional or training positions, preferably in occupational fields most likely to expand when the employment situation improves.

COPSE will be located in the Employment Development Department building, 800 Capitol Mall, Sacramento.

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OFFICE OF GOVERNOR RONALD REAGAN RELEASE: Immediate Sacramento, California 95814
Clyde Walthall, Press Secretary
916-445-4571 12-31-74 #728

A "new direction" for Medi-Cal, calling for sweeping changes in the state's health care financing system for the poor and needy, was proposed today by Governor Ronald Reagan.

The proposed system would require some legislative changes, centralized health facilities, called Organized Health Delivery Systems (OHDS), which would contract with the state to provide all care and services for the 2.4 million Medi-Cal beneficiaries.

Governor Reagan cited both economic and social reasons for the recommended revisions in the \$2 billion program.

"Despite the fact that we in California have the most generous health care plan for economically disadvantaged citizens in the United States, it is not delivering these services equitably, nor economically," the governor said.

"Through the proposed Organized Health Delivery Systems, every

Medi-Cal beneficiary can be assured of getting care when needed,

and the state will be able to monitor the quality of that care.

Further, the taxpayers can enjoy a savings of more than 20 percent

from the current Medi-Cal budget, if these recommendations are adopted."

The proposed changes are the first major suggestions for improving the Medi-Cal program and controlling its rapidly spiralling costs since the Medi-Cal Reform Plan of 1971 imposed limits and prior authorization requirements for some services.

The governor emphasized that the proposals are still in a draft stage and that much work and some changes in law would be required before they could be put into effect.

Costs for the current program, according to the governor, are rising "faster than the state budget can stand." Medi-Cal's portion has outstripped other increases in the state budget---up 213 percent in the past eight years from \$618 million in 1966-67 to approximately \$2 billion this year. The total cost of state government increased only 130 percent during the same period.

The social problems Governor Reagan described include the difficulties encountered by many Medi-Cal beneficiaries who are unable to find providers who accept the present program's controls and procedures. Additionally, he said, the state is unable to evaluate the quality of care offered by the more than 55,000 providers who do participate. With the new system, the state could concentrate on quality rather than control, he added.

The basic change proposed by the governor is a new delivery system concept which would provide care for about 90 percent of the beneficiaries through the Organized Health Delivery Systems.

Details are not yet worked out, but the proposal calls for the state to contract with one organization in each geographical area.

The organization would provide all care---routine and emergency--for all the beneficiaries in the area.

Payment would be in advance, for all Medi-Cal services needed by assigned beneficiaries. "The OHDS will have an incentive to keep the beneficiaries well through the practice of preventive medicine," the governor said. The state will not have to control services, but will be able to monitor quality.

In rural areas where a large centralized organization is not feasible, the state would reimburse local providers in private practice on a fee-for-service basis.

Other recommendations include:

--Shifting mental health care from the Medi-Cal program to the Short-Doyle mental health program. (Overlapping benefits and duplicative administrative costs would be eliminated and all Californians would have coverage under the same program).

--Copayment from all beneficiaries for all services. (The proposal suggests copayment in order to provide a deterrent to unnecessary services and to strengthen a "cost consciousness" in the beneficiary. Amounts range from 50 cents for a prescription drug to \$10 for a hospital admission).

--Volume purchase by the state of all drugs and supplies. (The state currently spends over \$50 million each year. Volume purchase, by bid, would reduce this cost by an estimated ten percent).

--Termination of the fiscal intermediary system. (Since the new system would require processing few claims, the state could save on administrative costs by handling this function internally).

--Elimination of prior authorization and other program controls.

(The state would save again in administrative costs because each OHDS would establish its own controls and the state would use its professional consultants to monitor quality rather than to authorize services).

--Taking over the counties' share of the program's funding.

(Because policy and administration are state responsibilities, the state, with federal participation, would fund the program. Counties, which currently pay a total of almost \$300 million, would be mandated to reduce local taxes).

--Establishing a single income and assets eligibility standard for all beneficiaries in all categories of public and medical assistance. (The current fragmented system has stricter requirements in some categories).

If necessary legislation is passed next year at the state and federal levels, the plan could become operational in 1976, according to the governor.

"The Medi-Cal program has proven that money alone is not the answer," he concluded. "If these recommendations are accepted, California can provide quality medical care to all who are eligible and the continual financial demands of the Medi-Cal program can be controlled."

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Purpose

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California provides medical assistance for needy and low-income residents through Medi-Cal, the state's version of the joint federal-state Medicaid program (Title XIX of the Social Security Act). Medi-Cal does not provide services directly to program beneficiaries, it pays claims for a comprehensive list of benefits available to approximately 2.4 million beneficiaries.

History

The program began in 1966, when California decided to participate immediately in Medicaid, established by Federal legislation the previous year. Through the early Medi-Cal Program the State paid bills on a fee-for-service basis, with little or no utilization controls on providers or beneficiaries. By 1970, costs had increased exponentially and a centralized ontrol system was needed. The resulting Medi-Cal Reform Plan (MRP) went into effect in 1971. MRP increased the group of Program eligibles by including medically indigent persons, formerly the sole responsibility of the counties; added benefits and divided them into basic and supplemental schedules with requirements for prior authorization as a utilization control method; added a copayment requirement (no longer in effect) for some services for some beneficiaries; and encouraged the development of contracts with prepaid health plans. With MRP, the Department established a computerized centralized identification system (CID). CID takes eligibility input from the counties and issues the "sticky label" Medi-Cal card, used by the beneficiary and the provider to establish monthly eligibility for services.

<u>Administration</u>

Under general direction of the Secretary of Health and Welfare, the State Department of Health is responsible for administration of the Medi-Cal program. The Department oversees its operation, sets policy and rates, monitors utilization and quality of care, and investigates complaints. Within the Department, the Health Financing Systems has the primary responsibility for Medi-Cal. Claims are processed and paid by fiscal intermediaries with Medi-Cal Intermediary Operations (MIO) handling the vast majority. MIO includes Blue Cross North, Blue Cross South, and Blue Shield as claims reviewers.

Propaid Health Plans

PHPs agree to provide the complete range of Medi-Cal benefits, as needed, to enrolled eligibles in return for a monthly capitation amount paid by the state. In areas in which the Department has contracted with prepaid health plans, a beneficiary may voluntarily decide to enroll rather than to seek care through providers who bill the State on a feefor-service basis. In the past two years, more than 60 contracts have been written.

L\_neficiaries:

Approximately 2.4 million California residents are eligible for Medi-Cal; eligibility is determined by county welfare offices (Aid to Families with Dependent Children); by federal Social Security offices for Supplemental Security Income/State Supplemental Payment recipients (the blind, the disabled and old age assistance). Of the 2.4 million, nearly 2 million are public assistance (welfare) recipients; the others are medically needy or medically indigent - lacking resources to pay for their medical care.

Providers

More than 55,000 providers are voluntarily participating in the program: physicians, hospitals, nursing homes, pharmacists, dentists, therapists, podiatrists, chiropractors and others.

Funding

Joint federal-state-county on an approximate 50-35-15 ratio.

Budget

Total expenditures in 1973-74 were more than \$1.6 billion; this years budget exceeds \$1.8 billion - nearly 20% of the total state budget.

Benefits

Medi-Cal covers: services from physicians, dentists, chiropractors, optometrists, pharmacists, hospitals (inpatient and outpatient), nursing homes, home health agencies, a variety of therapists, and a comprehensive array of other health care service and equipment providers.

PHP 8

54 contracts are currently in effect with 239,000 beneficiaries enrolled (approximately 10% of all those eligible for Medi-Cal). Capitation paid in August was almost \$7 million, exclusive of pilot projects which are testing new delivery systems and financing methods for particular services or in certain areas.

Cost:

Medi-Cal costs, controlled by MRP for several years, have shown indications of increasing again. The Department of Health, the Legislative Analyst, and the Department of Finance are reviewing the causes. Theories include "bill padding" by providers, extra tests ordered by physicians for their own protection against malpractice charges, and an unexpected increase in the number of medically indigent because of economic conditions.

Rates:

Reimbursement schedules and fees have been a continuing source of complaint from virtually every type of provider. Nursing home payments were increased earlier this year and many nonphysician providers have recently received higher rates. Physician reimbursement methods and amounts are currently under intensive study. Doctors are paid on individual billing profiles established according to specialty, geographical area, and past customary fees.

Prior Authorization: The prior authorization requirement, established by MRP to control costs and monitor utilization, is repugnant to many providers. Increased demand for Medi-Cal services has at times caused delay in processing Treatment Authorization Requests. The Department is now looking at new methods for handling TARS.

PHPs:

Controversial since their inception over two years ago, prepaid health plans have been under almost constant scrutiny by the press, the Legislature, the public, and those responsible for their administration. The Department has, over the years, implemented a variety of controls to improve the PHP program;

- · marketing materials and methods require approval and are under close surveillanc
- quality of care is monitored primarily through on-site medical audits, supplemented by reports of service data.
- · PHPs are required to submit certified financial data
- a flat capitation rate has recently been adopted for each county, replacing the individual contract rate negotiation process
- efforts are intensifying to educate beneficiaries about Medi-Cal alternatives and proper use of both PHP and fee-for-service Medi-Cal services

Duplicate Payments:

A recent report by the Auditor General criticized the Department's administration of Medi-Cal because of what he termed duplicate fee-for-service payments to providers for beneficiaries who were already enrolled in PHPs. The report was not considered a responsible report by the Department, however, the Department is aware that it is possible, in some counties, for a beneficiary who is a PHP enrollee to secure a temporary Medi-Cal identification card and use it with a fee-for-service provider. The Department is working with the counties to improve screening procedures when temporary cards are requested.

Effect on Counties:

With Medi-Cal Reform, the county indigent patient became eligible for Medi-Cal. Many chose to "enter the mainstream" and no longer sought services through the county hospital system. Many counties found themselves operating hospitals and clinics without patients and have decided to shut down or modify their operations. County administrators and officials have blamed the Medi-Cal program for their fiscal difficulties.

## GLOSSARY

Medi-Cal---the state-federal health care program for California's low income population.

Short-Doyle Program --- the state-county system of joint funding for community mental health programs. All Californians may receive services with payment on a sliding scale from free to full charges.

Prepaid Health Plan (PHP) --- a program that provides all necessary health care through a group of physicians and other providers for one fixed fee paid monthly in advance. For Medi-Cal beneficiaries, who voluntarily enroll, the fee is paid for the state through contracts.

Fee-for service---the conventional method of paying for each service rendered by physicians or other providers.

Prior authorization --- under the fee-for-service Medi-Cal program, advance approval by state-employed professional consultants is required for all health care services other than two physician visits and two medical prescriptions per month.

Fiscal intermediary---large insurance companies -- Blue Cross North, Blue Cross South, Blue Shield -- which process the almost \$2 billion in claims that will be paid this year by Medi-Cal to health care providers.

Copayment---a trial program conducted from January 1, 1972 through June 30, 1973, in which some Medi-Cal beneficiaries had to pay a token \$1 for each of the first two doctor visits and 50 cents for each of the first two pharmaceutical prescriptions per month toward their health care. The \$3 maximum copayment has been judged successful in deterring excess use of medical care by Medi-Cal beneficiaries.

## COUNTIES' SHARE OF

## MEDI-CAL FUNDING

COUNTY	<u>SHARE</u>
Alameda	15,535,416
Alpine	7,295
Amador	209,508
Butte	1,269,016
Calaveras	246,390
Colusa	167,986
Contra Costa	7,733,130
Del Norte	250,797
El Dorado	478,906
Fresno	9,385,423
Glenn	228,514
Humboldt	1,509,600
Imperial	533,200
Inyo	276,186
Kern	7,593,083
Kings	941,280
Lake	160,380
Lassen	194,556
Los Angeles	118,370,400 803,115
Madera	1,424,640
Marinosa	53,163
Mariposa Mendocino	772,750
Merced	1,900,350
Modoc	161,160
Mono	48,515
Monterey	3,617,430
Napa	709,500
Nevada	646,850
Orange	14,521,815
Placer	1,271,809
Plumas	223,780
Riverside	5,882,400
Sacramento	10,240,249
San Benito	229,689
San Bernardino	7,657,470
San Diego	11,181,450
San Francisco	16,718,460
San Joaquin	6,496,458
San Luis Obispo	2,098,122
San Mateo	7,302,400
Santa Barbara	2,968,940

COUNTY	SHARE
Santa Clara Santa Cruz Shasta Sierra Siskiyou Solano Sonoma Stanislaus Sutter Tehama Trinity Tulare Tuolumne Ventura Yolo Yuba	12,849,800 1,851,645 858,000 19,721 609,570 974,304 3,186,000 3,771,420 866,250 366,560 223,951 3,524,955 349,604 3,320,096 1,391,250 701,688
	296,826,395

RELEASE: Immediate

#729

Governor Ronald Reagan today announced the appointment of Los Angeles Municipal Court Judge Edward A. Hinz, Jr., as judge of the Los Angeles County Superior Court.

Judge Hinz, 41, succeeds Judge Edward Olson of Burbank.
Judge Olson has retired.

A native of York, Nebraska, Judge Hinz has been on the Municipal Court bench since December of 1973. He is a 1958 graduate of the University of California at Los Angeles and received his law degree from the University's Hastings College of the Law.

He also attended Harvard University for two years prior to serving in the U.S. Army.

Judge Hinz served 12 and one half years in the state Attorney General's office prior to his appointment to the Municipal Court. He was chief assistant Attorney General in charge of the Criminal Law Division at the time of his appointment.

He is a past vice president of the National Association of Extradition Officials and a member of the California State Bar Association.

As a Superior Court judge, he will receive an annual salary of \$40,322.

# # # # #

RELEASE: Immediate

#730

Governor Ronald Reagan today announced the appointment of Evelyn S. Clark of Los Angeles as a member of the Board of Behavorial Science Examiners in the Department of Consumer Affairs.

Ms. Clark, a Democrat, fills the vacancy created by the resignation of Connor G. Cole of El Centro. Her term will expire June 1, 1978.

A licensed marriage, family and child counselor, Ms. Clark is a graduate of San Diego State College with a B.A. degree in Elementary Education. She received a master's degree in 1965 in Counselor Education from the University of Southern California. In 1972, she received her Doctor of Education degree from USC.

Board members receive \$25 a day per diem when on official business.

# # # # #

RELEASE: Immediate

#731

Governor Ronald Reagan today announced the appointment of James R. Doyle, M.D., of Orange as a member of the Board of Medical Examiners.

Dr. Doyle, a 49-year-old Republican, succeeds Arthur F.

Thompson, M.D., of Newport Beach. Dr. Thompson has resigned
and his term has expired. Dr. Doyle received a four-year term.

A 1955 graduate of Gannon College in Erie, Pennsylvania,
Dr. Doyle received his medical degree in 1959 from the University
of Buffalo, Buffalo, New York.

Board members receive \$25 a day per diem when on official business.

# # # # #

RELEASE: Immediate

#732

Governor Ronald Reagan today announced the appointment to three-year terms of Mary Ada Morton of Carmel and Albert C. Fremont, M.D., of Palo Alto as members of the Areawide Developmental Disabilities Program, Board, Area VII.

Ms. Morton, a Republican, director of Nursing Services,
Hillhaven Convalescent Hospital in Carmel, succeeds Juanita Shaffer of
Palo Alto. Ms. Shaffer asked not to be reappointed.

Dr. Fremont, a 43-year-old Democrat, is director of the Child Development and Diagnostic Center at the Santa Clara Valley Medical Center in San Jose. He succeeds Richard G. Grey of Los Altos Hills. Grey's term has expired and he asked not to be reappointed.

Board members receive their necessary expenses.

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