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63	15	04/09/1962	Letter	To: Kenneth L. Thompson From: H. R. Haldeman. Re: Appointment. Duplicate Copy not scanned. 1 Page.
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N i x o n f o r G o v e r n o r

To: Bob Haldeman

Date: April 6, 1962

From: Bill Spencer

Subject:

Distribution:

Kenneth L. Thompson, the gentleman in charge of the CPA task force, is most anxious to have an appointment with you on or about Tuesday, April 24th when he plans to be in Los Angeles. If this appears possible please let me know or correspond with him directly. His address is Thompson, Dechow, Johanson & Reich, 1330 Broadway, Oakland, California (TE 4-5400).

As you know I am optimistic about the prospects ^{for} of this CPA group.

WS

April 9, 1962

Dear Mr. Thompson:

Bill Spencer has written me that you are planning to be in Los Angeles on Tuesday, April 24th.

I would like very much to see you and go over plans for the CPA Task Force. At the same time, I would like to include some of our research people in the meeting.

I would suggest you telephone me upon your arrival here so that we can arrange to get together.

Kind regards.

Sincerely,

H. R. Haldeman

Mr. Kenneth L. Thompson
Thompson, Dechow, Johanson & Reich
1330 Broadway
Oakland, California

cc: Mr. Wm. Spencer

File: S & I - Accountants
x - Spencer
x - T
x - date

Carter Barber

4-9-62

Bob Haldeman

CPA Task Force

Mr. Kenneth Thompson, who is setting up the Accountants' Task Force for Northern California, will be in Los Angeles on April 24th. He wants to meet with several of us to outline their program and get some guidance for state activity. I definitely think you should be present, and possibly DF and one of the other researchers.

We will set a firm time and place, but you should plan on 10:00 A. M. Tuesday, April 24th.

S+D Accountants
+ - Research
+ - date ✓

KENNETH L. THOMPSON
1330 BROADWAY
OAKLAND 12, CALIFORNIA

April 11, 1962

Mr. H. R. Haldeman
Campaign Manager
Nixon for Governor
3908 Wilshire Blvd.
Los Angeles 5, California

Dear Mr. Haldeman:

Mr. Thompson plans to arrive at the Burbank Airport on Tuesday, April 24 on Western's flight 403 at 9:04 am. Mr. Robert Decker will meet him and drive him to downtown Los Angeles. Mr. Thompson will call you upon his arrival at the airport to arrange for your meeting.

Sincerely yours,



Barbara Remers, Secretary

Sounds like a very worthwhile offer, particularly since it will be self-financed as I heard it!

This man also has a good background for the study

J. J. Hourigan

Walter for
Apr. 24th only
with Ken Thompson

AM

Discussion Draft

A PROPOSAL TO ORGANIZE A NIXON TASK FORCE ON STATE FINANCES BY KENNETH L. THOMPSON, CPA.

It is proposed that there be organized a task force on state finances consisting principally of interested certified public accountants to be of assistance to Richard M. Nixon in his gubernatorial campaign. The objectives of this effort would be as follows:

- 1. The development of a group of men who can be knowledgeable and articulate in the principal areas of state finance.
- As soon as poss → 2. An analysis of the major strengths and weaknesses of the present expenditure programs.
- Yes 3. The development of recommendations for corrective action which could be effected after election.
- Yes 4. Providing a sounding board for ideas concerning state finance advanced by Mr. Nixon.

The special training and skills of the certified public accountant coupled with sound business judgment accumulated from experience should produce some highly useful suggestions if this skill and judgment can be applied to some of the perplexing financial problems of our state. Not only are there partners in the large national firms in California but there are local practitioners as well who have had opportunities to acquaint themselves with the fiscal affairs of California. This task force would bring together these men for the purpose of making an organized study of and attack on California's finances.

Organization

The organization would consist of the following:

- 1. One chairman
- 2. Two or three vice-chairmen

3. Five or six division directors
4. Fifty to sixty task force members
5. One consultant

Two vice-chairmen would each be responsible for Northern and Southern California. Two or three division directors might be assigned to each vice-chairman and be responsible for each of the more heavily populated counties in the state. No one director should have to be responsible for more than eight or ten task force members so as to limit the problem of communication. It might even be possible to eliminate the function of division directors and have task force members report directly to vice-chairmen. In that event, it might be more desirable to have one vice-chairman responsible for the San Diego area, another vice-chairman responsible for the Los Angeles area up to Bakersfield, and the third vice-chairman responsible for Northern California.

Operations

Once the task force has been recruited, it is proposed that a consultant be engaged for the purpose of organizing the efforts of the task force and establishing coordination. Robert D. Decker, CPA has been proposed for this assignment, and a biographical sketch of Mr. Decker is attached to this proposal as exhibit A.

Briefly, it is proposed that certain areas of state finance be identified as study projects which would be undertaken by one or more task force members. These members would study their assigned subject and write a brief report summarizing the facts and submitting recommendations for corrective action. After a thorough review of each such report by an executive committee of the task force, the final product would be submitted to Mr. Nixon for his use in the forthcoming campaign. The study projects would be sub-

mitted to Mr. Nixon's campaign director for approval before commencing work on the projects. Appropriate reference materials would be obtained by the consultant and supplied to each particular task force member. The instructions and criteria which each member would apply to his own study would be developed by the consultant on a uniform basis so that everyone makes pretty much the same approach to each particular study project. Here are two examples of possible study projects which might be conducted by members of the task force:

1. Social Welfare Program - Aid to Needy Children

(Assigned to specific counties throughout the state)

This project consists of an examination of the cost of administering the Aid to Needy Children program.

During the recent weeks much attention has been focused on the administration of the various social welfare programs. It has been stated that the administration of the programs by the counties has resulted in waste and duplication of effort. At present, the cost of administration is borne by the county and federal governments. The benefit payments are made from state funds subvented to the counties. It is proposed that the administrative function be removed from the counties and centralized in the Department of Social Welfare of the State of California. The Governor has been requested to call a special session of the 1962 legislature to examine the problem. Whether the legislature will deal with this problem in 1962 is problematical, but the 1963 legislature will certainly be asked to act upon the centralization proposal. Mr. Nixon will undoubtedly be called upon to take a position on this problem during his campaign.

In general, the statistical information necessary to perform this project will be found in the budget of the State of California and the

budget of the County of _____ . Special consideration should be given to the growth of administration costs as compared with total benefit payments and the number of recipients of such benefits, as determined for the fiscal years ended July 31, 1960, 1961, 1962 (budgeted) and 1963 (budgeted).

The sole purpose of this study is to determine the magnitude of the increase in administrative costs in relation to benefit payments and number of participants of the Aid to Needy Children program. It is not the intention of the Task Force to deal with the basic philosophy underlying the Aid to Needy Children program; therefore, your judgment should be applied solely to the financial aspects of administering the program.

In examining the administrative costs attention should be directed not only to the growth in dollar cost of administration, but also the growth in the number of personnel employed. In relating both administrative cost and personnel factors to the level of benefit payments, consideration should be given to any change which might have occurred during the period under examination in the rate of benefit payments.

An interview with your local county welfare director would be very helpful to you in obtaining the necessary local statistical information and also his point of view on advantages and disadvantages of the proposed centralization of the administration of the program.

Based on your examination of the statistical aspects of this project, please briefly outline on the enclosed questionnaire the conclusions reached by you. You are requested to approach this problem in much the same manner as you would deal with the problem of administering a large department of a commercial enterprise.

Similar projects would be assigned to Task Force members in several counties. They would be asked to examine, on the same basis, the Old Age Security, the Aid to Needy Blind, and the Aid to Needy Disabled programs.

2. State Government Reorganization - Super Agency Concept

This project consists of an examination of the several cabinet type positions created by the 1961 legislature. Very little explanatory information has been published on this subject; however, the financial implication can be determined from the proposed budget of the State of California for the fiscal year ending June 30, 1963. Also the bill which created the positions is available for examination. It should be noted that in addition to the positions authorized in the bill, the Governor has proposed that the Director of Agriculture be elevated to cabinet status and the Department of Agriculture removed from the overall supervision of the cabinet officer for Natural Resources.

The purpose of this study is to determine the incremental cost to the state of California arising out of the creation of the cabinet positions, and to examine the organizational structure of the executive branch of state government. An organization chart of the executive branch, before and after the so-called reorganization, accompanies this study request.

Your evaluation of the reorganization based on your experience in dealing with organizational problems of business concerns is of considerable importance in this project. It should be borne in mind that while not explicitly stated in the legislation, it seems clear that one purpose of the bill was to replace the Governor's Council, which is composed of Departmental Directors, with a cabinet made up of the so-called "Super Agency" directors.

Please briefly outline on the enclosed questionnaire the conclusions reached by you.

It is contemplated that about sixty to seventy-five days will be required before the final submission of a report to Mr. Nixon can take place. The following sets forth the nine major steps involved in working on these study projects:

1. Determination of possible study projects.
2. Determination of availability of reference materials.
3. Determination of feasibility of each study project.
4. Questionnaire preparation.
5. Assignment to individuals and distribution of study projects.
6. Study by individuals.
7. Compilation of completed study projects.
8. Review of completed study projects by executive committee.
9. Submission of completed study projects to Mr. Nixon.

Financing the work of the Task Force

It is estimated that the cost of Mr. Decker's services plus expenses will be about \$2100. This amount is to be raised by solicitation of the task force itself and their acquaintances in the accounting profession.

Because it seems desirable to obtain approval from the Nixon campaign director of the proposed study projects, it has been suggested that this effort be approached in two phases. The first phase would consist of completing steps one and two of the outline above at an estimated cost of \$750 to \$1,000. The writer proposes to organize a ten-man steering committee to get this effort underway, and one of the primary functions of the steering committee would be to underwrite on a prorata basis the cost of the first phase. Once this phase has the approval of Mr. Nixon's campaign director, it should be much easier to recruit the necessary additional manpower and money required to finance the second phase which would consist of items three through nine of the outline above.

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At the present time, a Northern California vice-chairman has been recruited, and five members of the so-called steering committee have indicated their willingness to guarantee their share of the cost of phase one.

KENNETH L. THOMPSON

1330 Broadway
Oakland 12, California
February 26, 1962

ROBERT D. DECKER

Biographical Sketch

1. Graduate of U.C.L.A., B.S. in accounting
2. Admitted to practice as a C.P.A. in 1954
3. Partner in the firm of Decker & Campbell, CPA's
4. Served from 1958 through December 31, 1959 as Executive Secretary of the Joint Legislative Tax Committee, California Legislature
5. Served from January 1, 1960 through August 15, 1961 as Executive Secretary of the Senate Fact Finding Committee on Revenue & Taxation, California Legislature
6. Assisted the late Senator James J. McBride in the conduct of the operations of the Senate Finance Committee, California Legislature, 1958 through June 10, 1961
7. Served as Campaign Coordinator for Senator Robert J. Lagomarsino, (R), Ventura, Special Election held in Ventura County on October 3, 1961
8. Served as Administrative Assistant to Senator Robert J Lagomarsino December 1, 1961 to January 31, 1962.

April 9, 1962

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✓ S + J - Accountants
+ - Research
+ - close