

CALIFORNIA STATE ARCHIVES
STATE GOVERNMENT ORAL HISTORY PROGRAM

ORAL HISTORY INTERVIEW

with

R. WILLIAM “BILL” HAUCK

CHIEF OF STAFF, ASSEMBLY SPEAKER BOB MORETTI, 1971-74
CHIEF OF STAFF, ASSEMBLY SPEAKER WILLIE L. BROWN, JR., 1981
DEPUTY CHIEF OF STAFF, GOVERNOR PETE WILSON, 1992-93
CSU BOARD OF TRUSTEES, 1993-2014

January 16, 22
& February 6, 2014

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INTERVIEW HISTORY

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Session of two and one-half hours

February 6, 2014
Telephone interview (Mr. Hauck in Long Beach, CA)
Session of one and one-half hours

Transcribing/Editing

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BIOGRAPHICAL SUMMARY

Robert William “Bill” Hauck was born on Aug. 20, 1940 in Topeka, Kansas. During his youth, he and his family also lived in New Jersey, New York and Utah. In New Jersey, he became interested in politics while attending high school, and he participated in the Boys State Legislature. His family moved again while he was in high school, and they settled in northern California. Bill graduated from Burlingame High School and attended the College of San Mateo before transferring to San Jose State College from which he graduated with a BA in Social Science in 1963. At San Jose State, he was elected as student body president. He then became a member of the California State College Student Presidents Association, and he served as the first student representative to the CSU Board of Trustees.

After graduating from San Jose State, Bill Hauck received a Coro Foundation fellowship (1964-65) and worked as an intern in Los Angeles for the United Auto Workers (UAW) and other organizations. The experience provided future professional connections as well as an interest in business and public policy. Following the Coro internship, he served as a public information officer with the U.S. Army Reserves, and he worked as the Assistant City Manager for Palo Alto (1965-67).

During the mid-1960s, Bill Hauck moved to Sacramento and began working for the Assembly Governmental Organization Committee, a nonpartisan legislative staff group created by Democratic Assembly Speaker Jesse Unruh. It was designed to provide legislators with information about important policy issues. Hauck also served as Director of the Assembly Office of Research.

Bill Hauck later served as a chief of staff for Bob Moretti, Speaker of the Assembly. Hauck left the Assembly in the 1970s to join a new firm called Information for Public Affairs, an early legislative bill tracking service. Hauck became Executive Vice-President and a major shareholder of this organization that later became State Net which was later acquired by LexisNexis. State Net also owned the *California Journal* magazine.

In 1981, Hauck returned to the Assembly as chief of staff for Assembly Speaker Willie L. Brown, Jr. In 1982, Hauck assisted Pete Wilson, then mayor of San Diego mayor, in preparing for a debate against California Governor Jerry Brown in a U.S. Senate race. Later, after Pete Wilson was elected California Governor, Hauck helped Wilson with the transition to governor and joined his administration as deputy chief of staff.

In 1993, Governor Wilson appointed Bill Hauck to the California State University (CSU) Board of Trustees, and he served on the CSU Board continually until 2014.

During these years, Hauck was Vice Chair (1996-98) and Chair (1998 to 2000), and he was head of the finance committee at the time of his death.

In other public service, Hauck chaired the state's Constitution Revision Commission (appointed by Governor Pete Wilson) and co-chaired the California Performance Review Commission (appointed by Governor Arnold Schwarzenegger). In addition, Bill Hauck served as president of the California Business Roundtable from 1996 to 2011. He later joined Goddard Claussen/West, a political consulting firm now known as Redwood Pacific, as a senior adviser. He also served on the board of directors of Blue Shield of California.

Bill Hauck died on March 7, 2014 at the age of 73. He is survived by his wife, Padget, and two children from a previous marriage

[Session 1, January 16, 2014]

CASTANEDA: This is an oral history interview of Mr. William Hauck for the California State Government Oral History Program. It's January 16, 2014, and we're in St. Helena, California.

Thanks very much for the interview and your time. We like to start off asking you really about your childhood, your family, where you grew up, and just sort of get a sense of your early background.

HAUCK: Okay. I look forward to doing this. My early background, I was born, actually, in a capital city, Topeka, Kansas. Didn't stay there long. Moved with my family to New York and then, over the years, various other places in the country, including New Jersey, Utah, Long Island.

CASTANEDA: Why did your family move to New York?

HAUCK: My father was in the property and casualty insurance business, and so he moved around a lot, worked for a couple of large companies. We lived in New Jersey as well. That went on until I finished my junior year in high school, and he then got a job in San Francisco through a friend of his, and so I moved. My parents were divorced at that point.

I moved to, basically, San Francisco, Burlingame, and worked for the summer with him, used to ride the train between Third and Townsend up to Montgomery Street during the summer, because I told him I didn't want to come out here for the summer without a job, because I didn't know anybody. I would have spent the summer and it was not going to be much fun. So he got me a job, I think in the mailroom of either that company or another one, and we walked up, which you do, from Third and Townsend to Montgomery Street. So from there, once I got to California, I never looked back. Let's put it that way.

CASTANEDA: Was it what you were expecting when you got here? What were your expectations?

HAUCK: Well, probably mostly derived from the abnormal advertising that was done about California, and I wasn't disappointed, put it that way.

I did my last year in high school at Burlingame High School. I had come from East Orange, New Jersey. To go back to your earlier reference, how did I get interested in politics, I guess I started, actually, in New Jersey where I went to—I think we had it here; it's a little different—the Boys State function that I think the American Legion puts on. In New Jersey it's in New Brunswick at Rutgers, and they actually go through a whole process of electing a legislature, a Boys State governor. So I ran for the Assembly and won. I think that's the only formal elected office, not really a formal office, an elected office, I've ever had.

CASTANEDA: So how did you get interested in that in the first place?

HAUCK: I mean, how do you get interested in these things? It's kind of instinct. Early, I think, I was interested in politics and public policy and public affairs. At that point, it's so long ago, I don't know that anybody had really pushed me to be interested, but for whatever reason—I mean, we are talking about more than fifty years ago—I was interested, so I participated. I had some success.

It was like a weeklong program or close to that. I got on an airplane—in those days, it wasn't a jet—and came to San Francisco and spent the summer doing what I just described, and then went to Burlingame High School for my final high school year. So I had gone to three separate high schools: one in Great Neck, New York, one in East Orange, New Jersey, and one in Burlingame, California.

From there I went to the College of San Mateo for one year and kind of majored in journalism, although, as you know, in the first year community college, you're not really majoring in anything. I did one year at the College of San Mateo and then transferred to San Jose State, and that's really where I really started to dig in to building, really, my own life, separate from any parental, not necessarily involvement, but more—

CASTANEDA: Direction, maybe?

HAUCK: Direction, yes. To his credit, my father was not a—I mean, he had his problems, but he was pretty balanced in his views and a smart enough person, pretty balanced in his political views, so I was not ever really tainted by strong political views on the right or on the left, and that's a

legacy not to be dismissed, because that's still my modus operandi, put it that way.

CASTANEDA: You went from San Mateo Community College to San Jose State. Were you still thinking of majoring in journalism?

HAUCK: I started out there majoring in journalism, but really I soon could see that if you knew how to write, if you were somewhat accomplished in terms of writing, a better direction to go in was to take up a subject matter and learn more fine areas of subject matter that you were interested in and then deal with the writing part. So I did do that and, at the same time, I began to get into the operations of the school and Student Council and the ability to participate in—

CASTANEDA: The student government stuff?

HAUCK: Student government stuff, yes. There were two or three counselors that worked with students and worked with student government, and I really began to dig myself into being involved in that kind of activity because, as I described earlier, my roots were all over the place and they weren't very deep. San Jose State really was the first place that I was able to put personal roots down, and I did it kind of with a vengeance, ultimately becoming the president of the student body.

CASTANEDA: Which year was that?

HAUCK: That was 1963-'64, I think.

CASTANEDA: Were you a senior then or junior?

HAUCK: Yes, I was a senior. Actually, also, along with a friend, Jim Hearst, who was the president of Chico State, we revived what was then the California State College Student Presidents Association. I even remember the initials, CSCSPA. Why do I remember that? *[laughs]* It's crazy. Not only was I the student body president, along with Jim, we revived the Student Presidents Association.

That was right around the same year, give or take, that the separate state colleges were headed toward becoming part of the CSU system, because the Master Plan for Higher Education was enacted in 1960, I believe, and prior to that time there was no state college board. Each college functioned essentially on its own, with control from Sacramento and the Department of Finance. Actually, as it turns out, there was no provision for a student on the board, but I went to the meetings and, as it turns out, I was the first student to attend the statewide governing body that was created.

CASTANEDA: Interesting.

HAUCK: I was the first student to attend those meetings and I had no formal role, but I worked it out with the chairman of the board and I didn't have to vote, of course, but in a situation like that you can accomplish a lot, sometimes a lot more informally, you know, during lunch, during a dinner, that kind of thing.

CASTANEDA: What was your impression of those early meetings as a student?

HAUCK: As you might imagine, it was pretty interesting, a little intimidating, yes, but I was into it. I definitely was into it, and I was making the case with members of the board that everything they were doing related to students, and so having a student or a couple of students around seemed like it made logical sense. There was a gentleman—I think probably his name is Al Rufo, R-u-f-o, who was on the board, appointed by the governor from San Jose. So I knew him, I was acquainted with him, and he was an assist, let's put it that way.

So I think the result of my doing that—again, we're talking about a time when you flew from Sacramento or from the Bay Area to Los Angeles on a twin-engine prop, not jet, so it took a while, but I thought I had enough money in the student budget at San Jose State to be able to do it and I thought the case for it was fairly strong. I can't give you specific examples of things that changed as a result of some student involvement. My recollection is that they didn't just dismiss me. They were okay with a student having some informal involvement, let's put it that way.

As you probably know, subsequently—and I can't tell you the year, but it's by law now; this happened some time ago—there's one student and a second student who sits at the board meeting and takes over for the student that leaves each year, so there's turnover. So there's some continuity in the student involvement and it's formally on the board. Of course, now the board is, and has been since 1960, a statewide governing entity.

CASTANEDA: So by the time you were a senior, like you said, you were really in the thick of things.

HAUCK: I was definitely in the thick of things. I was as involved in a range of these things as I possibly could be and I was enjoying it tremendously. As the student body president, I was able to do some things that hadn't been done before. I distinctly recall there were three or four or five, maybe, faculty who kind of got on to me, and a couple of them were folks that I took classes from, one by the name of Burdick, Eugene Burdick, who had, I think it was, a brother or a cousin who wrote a couple of books that were well known in those days. This Burdick was an expert in German history and was a sensational lecturer. He was also not an easy teacher. I mean, you went to his class and without notes—I mean, he was just smart. So he and a fellow by the name of Pete Zibnak [phonetic]—I don't know how I remember these names—was a business professor, a woman by the name of Irma Eichorn, who was actually a Russian Jewess who was a history teacher, and a couple of others, kind of, I don't know, picked me out.

Well, I also had some resources, so one of the things we did that I used student money for that had never been done before was to bring a distinguished professor to campus, let's say, for, like, three days, and the only condition I put on it was you need to let this person do a series of meetings with students, not just big meetings, larger lectures, but also smaller lectures. I forget what it cost, but there was no money for it. We

took it out of the student budget, which at the time was, I think, about 300,000 a year from student fees. Today it would be a lot more.

At the same time as I was into politics, I was also into trying to figure out things that would enhance the academic reputation and quality of the university, and, as I recall, it went quite well, actually. So everywhere I looked I saw opportunities to get more involved myself to do work that was benefiting the university. These professors, they dreamed up other projects also and were very good.

Just to go back a minute on Burdick, who was just a fascinating guy, after one German class one semester, he had a one-question final exam: “A controversial question in history is whether men make history or history make men. Comment as pertinent to German history.” It was a great question.

CASTANEDA: Yes, a big question.

HAUCK: Of course, he didn’t care which side you took, as long as you argued your case well. But I never forgot that. So, yes, I did get very deeply—it was the first place that I was able to put down personal roots and get engaged with a community that wasn’t going to go away, that I wasn’t going to leave until I finished what I was doing, which I did.

Then, actually, I had applied to Hastings Law School and I was tentatively going to do that, but I was a little tired of school, frankly. I didn’t have any money at that point. I was also being recruited to a program called the Coro Foundation, C-o-r-o, which doesn’t stand for

anything, but it's a public affairs program. There was a gentleman, who actually still lives in Sacramento, who was a lobbyist, has been for some years, but he was working for Coro at the time recruiting students like me interested in politics and what have you to this program. Are you familiar with it?

CASTANEDA: I've heard about it. I did a little bit of research on it, but, yes, I'd like to hear your experience.

HAUCK: It's a really good program. Like anything else, it's got its problems. He was recruiting me hard. Actually, I got paid a little bit of a stipend so that I wouldn't starve, as opposed to law school, which I was going to have to pay and didn't have a source of paying at that point. I thought I could do that later if I really wanted to do it.

So I actually had another reason for doing it, because I had gotten so involved in San Jose State stuff and in San Jose, in the community, because I used to go to the Rotary Club and I used to go to a couple of the other things as the student body president to be able to be in touch with the local community, if the need be. So after I graduated and was finished with this, I did the program in Los Angeles. I did it there because I figured if I didn't walk away from the university, I might get stuck there the rest of my career. I don't mean "stuck" to mean—being a higher-ed administrator is not something that I was planning as a career, so I went to Los Angeles.

My parents at the time, my father and stepmother, were living in Arcadia, so I had a place, I had a bedroom, had a place I could stay to do

this program, and it was a really valuable experience. Essentially the requirement was you had to have a degree of some kind, not necessarily a law degree or a political science degree, but a degree, and you got assigned, during the course of the school year, to a variety of—so I spent, for example, six weeks with the United Auto Workers Union helping them. They were trying to organize a—actually, it was a school bus company, so I'm out in front of this place at five-thirty in the morning handing out leaflets. I was with them for six weeks. I was with a civil service operation in Los Angeles for six weeks. I was with an oil company chief financial officer for six weeks. This is all happening at the top of these organizations.

The UAW, United Auto Workers, I was there for six weeks. Actually, the fellow that was running it was a fellow by the name of Paul Schrade, who was a Yale graduate, very smart guy, very connected to the Kennedys, and very interesting. At the time, UAW not only had auto workers, but space and defense workers who were all over Los Angeles. So when we walked into a room of company people and I was with the union, I looked more like the company people.

It was a fascinating process when they're involved in arbitration and mediation of disputes. The guys on the company side looked like me and most of them were young lawyers. The guys on the other side didn't, but more often than not, the guys on the other side won. So it was pretty interesting.

I'd say when you stand back from this, the oil company person, for example, he had me in every meeting he did, but prior to starting with him, he just said, "I'm going to include you in high-level meetings in this company. I'm going to ask you to do some work for me. The only rule is this is confidential, and if you say one word about what you are either doing or learning, I'll kick your ass out of here," quote, unquote. So, of course I never did. But when you stand back, think about it, here you are twenty-one, two, twenty-three.

[interruption]

HAUCK: I've said this at meetings involving people at Coro. What it did was take a young person and expose that young person to a level of functioning of an organization—organizations, plural—that you'd really probably never get, or if you tried to do it on your own, it would take years instead of nine or ten months. So I think it was quite valuable in relation to seeing how things really function. It was quite valuable in terms of maturity and watching the contrast between the textbook and the actual functioning of an organization, all compacted into essentially a school year.

I think, in retrospect, it was a good choice. It took me in a direction that law school might not have. That would have been a much more traditional way to proceed. Those were the days when we had no environmental law, no election law, or election law was minimal, no law

that I was all that interested in. I had spent a summer in a law office in San Jose with a fellow that I had become friends with through the Rotary Club when I was a student, and he permitted me to be in the office and work for a summer, to give me a feel for what it was like at that point to practice law, and what it was like was boring. *[laughs]* So I think I might have made a different decision if there had been the development of political law, environmental law, perhaps, or some area of the law that was other than the traditional tax and business and what have you.

CASTANEDA: Speaking of environmental law, this is the early, mid-sixties, and the Antiwar Movement, I guess, is heating up.

HAUCK: Yes, right.

CASTANEDA: Your decision, student government, and what are your impressions of that environment, or is it something that plays a role in your life at all?

HAUCK: The anti—

CASTANEDA: Yes, just everything going on in the sixties, especially being in California.

HAUCK: Only minimally. In the early sixties I'm still a student. I'm focused more on what's happening for students on the campus than I am on the anti-Vietnam—I mean, I wasn't a fan of the Vietnam War, but you wouldn't have called me an activist, out marching.

CASTANEDA: I think it picks up more later anyway, but I'm just curious at that time in college.

HAUCK: Well, obviously there was a group of students that were oriented in that direction, but I wasn't one of them, and most students at that point I don't

think were really strongly activist. It was also during this period that Kennedy was shot and killed, and that was a real shocker. I think I was in Coro, and I remember being at home in Arcadia and just sitting in front of the television for two days, just shocked, shaken, like all of us, I think, at that point. So, no, I was not an outright out-on-the-street anti-Vietnam demonstrator, put it that way.

CASTANEDA: I imagine hearing about the Kennedy assassination would have been quite shocking.

HAUCK: It was probably the most shocking event that had occurred certainly in my lifetime at that point. I thought he was an inspirational person, inspirational leader. I wasn't capable of sorting out whether he was doing the right things all the time, but he certainly was inspiring.

CASTANEDA: I'm just curious. So Lyndon Johnson becomes president. Did that create an impression? Did you think about leadership switching from Kennedy to Johnson?

HAUCK: It's, you know, the constitutional process. I probably felt the same way about Johnson that a lot of people did. First of all, I didn't know him, and, secondly, he's from Texas. That wasn't a high mark for him for a Californian. But it's the process and you lived with it. I really didn't have a strong view. I knew of him, but didn't have a strong view of him, whereas, like a lot of other young people, I had a strong view of Kennedy and the people around him. I hadn't thought about it that way, but maybe his assassination and then subsequently his brother's assassination were

motivators for me to stay involved in public policy and public issues and to really dig into them.

CASTANEDA: So you did the Coro program, and that lasts—

HAUCK: It lasts right around a school year, and then sometimes people gain specific employment out of that program, someone that they had spent time with during the year.

CASTANEDA: Because you're doing internships, in a sense.

HAUCK: Essentially short internships, that's exactly right, during the course of the year. When I finished the program, what did I do? It was fifty years ago. One of the things the Coro program did was move people toward being city managers. California had developed this council manager system. As you know, most city councils, not all, are five members and have the city manager, who is the executive side, and the council is the legislative side in California. And I was thinking about that.

Well, I did the army. I enlisted. Did I enlist? I must have, in a civil affairs unit in Mountain View. This unit was composed of people who ran water systems, ran city functions. The idea of these units was that if we had to go into a country and restore its basic civil services, we would have people in the unit who had experience with that. So I did six months or so of active duty and then five and a half years of reserves, going to reserves in the Bay Area.

In addition, at the time I did go to work at the city manager's office in Palo Alto and was an assistant to one of the folks that were in the

manager's office. Palo Alto is a little more complex city, has its own, or did, utilities and was beyond your basic city. But after a while, I wasn't sure that that was the right way for me to proceed.

CASTANEDA: Did that lead right out of the Coro program?

HAUCK: It did, except for the six months in the army, and it lead out of the Coro program because Coro at the time had subsequently attracted younger people who ultimately became city managers. It was a source for cities of younger people to train to become managers.

The two people who founded Coro, Van Duyn Dodge—and who's the other one—they were both in the finance business. This was consciously something that they wanted to do to get young people trained to learn how to run a civic organization, because they believed, I think—I'm sure they did—that the vitality of civic and governmental life, at least in California and elsewhere, started in communities, not at the state capital, and they committed funding and they committed effort to pursue that. Leon Panetta and I were having this discussion not too long ago, that we're not going to fix things, at least in his view or mine, from the top; we're going to fix them from the base.

CASTANEDA: The local, maybe.

HAUCK: The local. Notwithstanding some of the mistakes that some local communities make gives the rest a bad name, but we know that there are good things happening in local communities in California and elsewhere

that people aren't aware of because they don't rise to the level of media attention.

So going back, where were we here? I guess I decided that the city manager road was not the right road for me. I had a friend that I had gone to school with who was working for a legislative committee in Sacramento, and the committee had been authorized a second staff position. So that's when I decided to—I wasn't married, didn't have children. I could put my stuff in my car and go wherever I wanted to go.

CASTANEDA: Do you remember your friend's name?

HAUCK: Yes, his name is Jud Clark, J-u-d C-l-a-r-k. He's still a friend, had gone to San Jose State, and we were in the same fraternity.

CASTANEDA: Which fraternity was that?

HAUCK: Sigma Chi. So I went to Sacramento at that point.

CASTANEDA: Did you resign your position?

HAUCK: I resigned.

CASTANEDA: You had better opportunities.

HAUCK: I resigned my position at Palo Alto. I'd have to work on placing the six-month army thing, but it was right in that area. I did the army active-duty stint before I moved to Sacramento, and moved to Sacramento, lived in an apartment there on Howe Avenue, which today you wouldn't imagine, because today Howe Avenue looks totally, totally different from the way it looked when I moved up here, and went to work for the Assembly

Governmental Organization Committee. That was the beginning. That was early in the year of 1967, as I recall.

CASTANEDA: Were the offices downtown?

HAUCK: Yes, in the Capitol. It was '68, '69, yes, because Ronald Reagan was elected governor for the first time in November of '68, I believe. Is that right?

CASTANEDA: Let's see. When was he governor? Wasn't he governor in '68, elected in '67, maybe? We can look those dates up.

HAUCK: Yes. Normally elections are not on odd-numbered—but I came up here, I believe it was in March of either '67 or '68, and went to work for the Assembly Governmental Organization Committee, where Jud Clark was the consultant. You have to understand that Jesse Unruh was the Speaker of the Assembly at the time and he was recruiting people from two programs. One was Coro and the other was he had established a legislative internship program for the Assembly, and people who came out of that program also became staff members in the Assembly initially, and then subsequently also in the Senate.

I think it's important to understand that Unruh actually was in the process of changing the state institution of the state legislature in the country. His idea was that legislatures, prior to him, around the country largely did whatever the governor of that state told them to do, had a session to do those things, and then went home again. What he wanted to do was—and he enlisted the support of the Rutgers Eagleton Institute of

Politics—to get other states’ legislatures to develop some capacity to deal with gubernatorial proposals other than just doing whatever the governor told them to do.

So he recruited candidates for the Assembly who had some area of knowledge, but also was recruiting younger people to staff those members and to become subject area experts in—pick a subject—the things that state government deals with. So the initial staffing of the Assembly, at least, was primarily out of those two pools, and I’m an example. Jud Clark, who I referred to, who’s a friend and I later was in business with, we’re both examples of that.

CASTANEDA: Did he go through Coro also?

HAUCK: He did. He went through it the year before me. There was a range of folks that went through the program. They tended to either have the background of that committee or they acquired it pretty quickly, and it was in the days when there were no term limits and people were chairing committees that really became experts in their subject area. Water, transportation, governmental structure, you name it, almost every committee was staffed with someone who became an expert in that area, and the chairman of the committee typically also did, because whoever it was, was going to be there for a while, sometimes for quite a while. That was sometimes not so good, sometimes good.

Ron Robie is a good example. Ron went to work for the Water Committee, and a fellow by the name of Carley Porter, who was a

legislator, chaired the Water Committee, and they both became deep experts on water, which, of course, has always been a subject for California. It was also true in those days. You could take the entire Assembly staff and put them in not too big a room for lunch today, and that would not be true.

So I went to work for the Assembly Governmental Organization Committee, and when you did that, what you first did was the committee met every other week, maybe. I forget what the frequency was, but something like that when they were in session. I did bill analyses. I think I did a little bit of work on the format of the analyses to make it easier for members to just [*snaps fingers*] pick up the bill as quickly as possible, but what it amounted to was reading the bill carefully and doing a quick analysis so that a member would know pretty quickly fundamentally what the bill did.

CASTANEDA: Would it be any kind of bill, or was it related to—

HAUCK: Legislative.

CASTANEDA: Any kind of legislative bill?

HAUCK: Only legislative. That was the function of that position.

CASTANEDA: And who was the chair of that committee?

HAUCK: At the time when I first went there, the chairman was a man by the name of Harvey Johnson, who was from Los Angeles. Subsequently, still with the committee, Bob Moretti became the chairman. Subsequently, Bob Moretti

became Speaker of the Assembly, and I moved from being a lowly staff person to eventually working for him as his chief of staff.

CASTANEDA: So you got to know him on the committee, I guess.

HAUCK: Yes. The Governmental Organization Committee at the time was known as the committee that dealt with the government and sin, because we did alcohol and beverage legislation, we did horse racing legislation, we did governmental structure, we did some utility legislation. It was a committee that Unruh, who was the Speaker, trusted to do, shall we say, sensitive legislative work. The bills that we dealt with didn't necessarily follow what you would have expected from a committee called the Assembly Committee on Governmental Organization, which made it pretty interesting, actually. Of course, the lobbying laws in those days were much easier, so there were lots of utility and alcoholic beverage lobbyists that worked the committee, which, in many cases, worked staff as well as the members.

So after that stint, as I say, I wound up working for him. How long did I work for him? It was a few years. He died at age forty-eight. He died of a heart attack on the tennis court. Prior to his becoming Speaker, he chaired the G.O. Committee, and after he died, I had other positions in the Assembly, in the legislature, and I did some work for subsequent Speakers and a governor. That was a little bit later.

CASTANEDA: You became his chief of staff, is that correct?

HAUCK: Yes.

CASTANEDA: So, obviously, he liked you and felt he could work with you. Did you leave one position to work with him?

HAUCK: When he got elected Speaker, I went with him to the Speaker's Office, and that clearly put me in a different role, or modified role, from just working for one committee. He was definitely an active legislator.

CASTANEDA: And you were pretty young then still, really.

HAUCK: Yes, at that point I'm probably thirty-one or so. The people who were recruited, like me, out of Coro and out of the legislative internship were all in that age range, because prior to that time, staffing in the legislature was mostly part-time, mostly local lawyers who worked part-time. It was under Unruh that not only in California but elsewhere, legislatures, and not everywhere, started to move in the direction of bringing professional staff in. Unruh made it clear that if you were designated as professional staff for a committee, for example, like the G.O. Committee, you worked for the Republicans and the Democrats on the committee, and if you didn't and he heard about it, you were going to be in trouble. It was a noble effort to professionalize the staffing of the legislature.

In the end, that probably didn't work because people turned partisan, and I guess if I had to mark that, it worked, I think, largely up until 1978 when Prop 13 passed. Prop 13 is clearly not just a landmark piece of initiative legislation in terms of property taxes and reducing everybody's property taxes at the time. I remember clearly the property taxes on my house were cut in half. Brown was governor and initially made noises

about opposing Prop 13. Ultimately, he supported it, and everybody's property taxes were cut in half because we had the money to backfill government at that time, but that ultimately became a giant problem. So prior to Prop 13, things were pretty stable, really, financially between state and local government for a long time, and the fact that there was money to backfill that loss made a difference at that point, but as you said, not too far down the road, lots of consequences developed of the enactment of Prop 13.

CASTANEDA: Do you want to take a break or keep going? Whatever you'd like to do.

HAUCK: Let's take a quick—

CASTANEDA: Okay.

CASTANEDA: So I thought we'd go back to you are working for the Government Organization Committee. Ronald Reagan's become governor, Jesse Unruh's still Speaker, I think. What is your impression of them as you come into Sacramento and working for the Assembly?

HAUCK: Unruh is still the Speaker at that point. My impression probably is no different or close to the impression that lots of people had, that Unruh was a real pro, a real pol. Reagan wasn't going to get himself into an area that he was not an expert at, and so there was a lot of skepticism about him, a lot of skepticism about his politics being fairly conservative. This is without any real knowledge, just conventional wisdom, and a lot of question about how he was going to deal with the legislature, with the Speaker, with the Senate.

So it was a very interesting, put it this way, a very interesting time to be involved in this because there were issues that needed to be dealt with, as it always is in the case of California. There always are issues to be dealt with, and it makes a difference if you deal with them or if you don't. So, yes, it was a pretty interesting time.

I remember at the time there was a cafeteria on the sixth floor of the Capitol. The entire floor was the cafeteria. I ran into Mike Deever shortly after I got there, and Mike Deever, who's a name you probably know, worked for Reagan, asked me, because he had gone to San Jose State, asked me to—

CASTANEDA: So did you know him?

HAUCK: Yes, I knew him. I wasn't close to him, but I knew him. He was upstairs having lunch. I was upstairs getting lunch myself. This was early, virtually right after Reagan is sworn in as governor. He asked me what I was doing, if I'd be interested in this job. I told him what I was doing, said, "I think I'll stick with the job that I've got working for the committee." Philosophically, at that point I was not anxious to work for Reagan. Subsequently I changed my mind, not about working for him, but working with him. So that's right after I've gone to Sacramento to do this job for the committee.

Then not right after, but maybe within a year or two, must have been, I decided—I'll have to sort these dates out. But by the time Bob Moretti became Speaker, I had had a fair amount of experience working as a staff

person in the Assembly, I mean a fair amount of experience in a comparative sense. I didn't have ten years of experience and, in fact, as an employee of the legislature, I think my total time was about seven years. So, again, just as I had planned not to make city management a career, I hadn't really planned to make legislative staff work a career. I'm not sure what I was planning at the time, but I didn't see myself working for the legislature for the rest of my life. But the jobs that I had then and later, in and out of the Capitol, all were very interesting jobs.

CASTANEDA: Just going back to your work with the Governmental Organization Committee, were there any bills that you remember that you analyzed that were interesting?

HAUCK: Oh, yes. One of them was a complete new rewrite of the horse racing law in California, which you wouldn't necessarily expect the Governmental Organization Committee to be involved in. In fact, in the horse racing law, we completely redid it and we did three or four all-night sessions putting that together because the politics of it were ferocious, let's put it that way.

CASTANEDA: What were some of the pressures?

HAUCK: All the different—you had the horse owners, you had the track owners, you had different breed owners and owners of tracks where different breeds of horses ran. So you had north and south, you had local fairs, county fairs that had horses that weren't necessarily competitive with the major horse racing organizations but they were involved in the whole thing. I'm sure they felt like they had to be involved or they wouldn't have been able to get

any horses, and their fairs needed the money that horse racing generated. So, yes, they all were represented, and so there was an awful lot of behind-the-scenes work to try to bring that all together, and Moretti carried the bill.

Another example, a totally different subject more on the organizational structure of the legislature, was a constitutional amendment that Jud and I put together that provided for carrying bills over from one year to the next. This is later. The way the legislature worked at the time, if you got a bill through both houses and it got killed in the last committee and the session adjourned, you had to start all over again every year. So we put a constitutional amendment together that provided for a bill to carry over from one year to the next if it passed the house of origin by the end of the first month of the second year of the session. The annual session was enacted in 1966 along with a pay increase that Unruh actually managed. The pay increase went from—I'm pretty sure of these numbers—from 6,000 a year to 16, so that was a big deal.

CASTANEDA: Was there much opposition to the bill that would carry over?

HAUCK: There was a lot of lobbying opposition because the lobbyists had benefited. This was in a time before major statewide initiative campaigns that now cost millions and millions of dollars. First of all, it was a constitutional amendment, and Moretti carried it. We had to get it out of the Assembly first and then we had to get it out of the Senate. The Senate was a much tougher proposition. We ultimately got it out of the Senate Rules Committee because of Moretti's relationship with a Republican senator

from Orange County whose name was Denny Carpenter. Carpenter told Bob, "I'm against this bill, Bob. I'm going to vote against it. I'll probably campaign against it."

And Bob said, "I don't give a shit. Just vote for it." *[laughs]* So he did, and he voted for it because they were friends. They used to play poker together. He did go out and oppose it. But it was the only way we were going to get it on the ballot, and then we went around to editorial boards and convinced them that it was a good idea, and it passed. So we still have that. Any bill that passes the house of origin by the end of January of the second year stays alive.

Other things that we hoped would develop out of that, we hoped that there would be benefits, at least you're going to save some printing money. Get practical, so you don't have to print the bill again. For people who were trying to influence the legislature, it was pretty tough for them, without campaign contributions, having to start all over again, and this at least gave them a chance to get a bill like that, if it hadn't already passed by the end of the first month, gave them the opportunity to keep their bill alive or change it if they needed to, amend it if they needed to in order to keep it going.

The range of things that we were doing, either out of the Speaker's Office or out of one of the committees, was considerable and, by and large, bipartisan. Again, those were days when the focus was more on substance than it was on just raw politics. I'd say that remained true up until Prop 13.

Things started to change pretty dramatically after Prop 13, which was 1978.

CASTANEDA: Yes, that will be interesting to talk about too. So when you went to work for Bob Moretti, what were your duties?

HAUCK: Be in charge of pretty much everything, certainly all the staff in the Speaker's Office and the chief consultants. At that point, there were more staff. The chief consultants for Assembly committees, most all of the Assembly committees, they all had a range of people who were competent. I wouldn't say there were any incompetent, but somewhat less competent.

So I was responsible for all the traditional things you are responsible for when you're working for a major policy-making politician, mostly things that are not out front. What you're doing is making sure that people are doing the stuff that needs to get done so that a major politician can front proposals. So you're not doing the front work, but you're doing all the work that permits the politician, or someone's doing and you're supervising, someone's doing that work and you want to make sure that it's competent work, that it's accurate work.

You're in charge of, at least initially, a crisis. Let's take the [Chris] Christie situation right now. Somebody there is in charge of this crisis, somebody on his staff who didn't perpetrate this, somebody who's trying to help clean it up. We're not probably ever going to know who that is, but there's one or more than one, somebody doing that. That's not changed and never will change. Politicians, like any major executive, need people

that know how to deal with a so-called crisis. Those are largely things that we did.

CASTANEDA: How would you describe Bob Moretti?

HAUCK: Bob Moretti. Being the Speaker of a legislative house is interesting. It's definitely an interesting role to play. My conclusion is that a Speaker is kind of a big babysitter, and I think to be successful, someone in that job, whether it's California or someplace else, needs to be partially loved and partially feared, and it takes elements of both to be successful. I think a person who's just loved, that won't work, or just feared, that won't work because ultimately that will lead to somebody else finally getting the votes together to take that person out. So it's a pretty tricky position.

I think Italian personalities, frankly, are very good because the folks that I've known that are of that heritage have the combination of fear and love at the same time. So Moretti was quintessential, like an Italian don. When he became Speaker, he and Reagan were not close, to say the least, and we were in the middle, at that point, of problems in taxes and welfare and abortion and a couple of other things I'm not thinking of right now. For the first six months that Bob was in that role, they were just kind of firing verbal bombs at one another.

So as I mentioned, I think, once before to you, finally I went in. I'd thought about this and I went into his office and said, "You know, we're really not getting anywhere with this approach to these problems."

And he said, "Okay. So what are you suggesting?"

I said, "Well, go talk to him. Go talk to him, just you and he."

And he said, "All right, I'll do that. Make it happen."

Fortunately, I had developed a friendship with his legislative secretary, George Steffes, who I'm still friends with. Our kids were going to the same school. So I wrote a note indicating that Bob wanted to talk to the governor. I don't know what else I put in it, not a lot, and sent it down, and George called me back. Steffes said, "Okay, what's the drill? When are you releasing this to the press?"

I said, "No drill, George. Bob wants to talk to the governor. The only condition is just he and the governor, one-on-one." At the time, Ed Meese was the governor's, call him, executive secretary. Ed Meese is a good person, very concerned. I didn't want him in the room. I didn't want anybody else in the room. So George said, "All right, I'll get back to you."

About five o'clock that day, or maybe it was five-thirty, I don't know, he called me back and said, "How about six o'clock?"

I said, "Fine. Just the two of them, right?"

He said, "Yes."

So I told Bob, and he said, "Okay, what do you think I should say?"

I said, "Why don't you be honest with him, tell him, 'You know, Governor, you know I don't like you, you don't like me, but that doesn't mean we can't do some business.'"

So he went down and they had a conversation. He came back. I asked him what he said. He said, "What you told me to say."

I said, “What’s the result?”

He said, “We’re going to start some discussions on each of these issues.” And that’s what happened. We had taxes, we had welfare, we had—what else? I’d have to go back and look at the—

CASTANEDA: The abortion issue that you mentioned, that was another one, wasn’t it?

HAUCK: Yes.

CASTANEDA: So you helped get [unclear].

HAUCK: Exactly right, and on each subject. Ultimately, we were successful in getting both Bob and Reagan to move around a little in terms of compromise in the days when compromise was not a bad word. I think it opened the eyes of people who previously thought Reagan was just a straight, down-the-line, pretty conservative person, and I think over this governorship, I ultimately became, let’s say, an admirer, not a big fan, but an admirer, and someone with respect for him because it was clear—and the reason the relationship between he and Moretti worked was because they both were comfortable in their own skin, which is a very important point, and willing to compromise on things without giving up their principles.

During the course of these negotiations that went on, on different subjects, they both got criticism from their own side, but once they made an agreement—I was kind of for our side. I was not governing those agreements. I was, I’d say, monitoring and making suggestions and making sure agreements that were made came out the way they were made.

Once the two of them agreed on something, that was it. They got criticized by their own people sometimes for those agreements, but they never, neither one of them, ever departed from an agreement that they had made together, which I thought demonstrated that they were comfortable in their own skins and they were both willing to compromise to a point, but not necessarily beyond.

Well, to me, that's the essence of governing. No one ever gets everything they want, and our contemporary problems in Washington stem, I think, a lot from people who just, for whatever reason, they want every single thing that they want, and that's not the way our system is structured to work, and when it doesn't work that way, it doesn't work. It has today more massive consequences than it once did, but even fifty years ago it had major consequences.

I also think—and it's just my view—that Reagan ultimately was a successful governor and it was his training ground for the presidency. The role of somebody working for a governor of California or Speaker or even a Pro Tem is doing those behind-the-scenes things in the way of suggestions, in the way of making sure that things are running properly. One of the things that I did was to make sure that key committee consultants were carrying out programs that we clearly would give to the other members to carry out, but that didn't mean we turned them over and said, "Take your best shot." These were things we wanted to get done.

There were times when Bob had, and other Speakers did, too, chairpeople of committees that Moretti, as a Democrat, he would appoint Republicans. A number of times I would have staff people show up in my office and say, “The chairman of my committee just fired me,” because there’s no civil service in legislative employment. I had to deal with things like that, which they would always—these are competent people, and I would just tell them, “Go back to work.”

“Well, I can’t go back to work. I just got fired.”

“No, you didn’t. Go back to work.”

Then if I had to, I would either talk to the chairman or the member. Only on a couple of occasions would I have to get Bob to call and say, “You’re not firing this guy. He’s staying on the job, period, unless you don’t want the committee chairmanship anymore.”

These are trivial little things, but there were people who we counted on, trusted. When we sent bills to those committees, most of them we wouldn’t care about, but there would be occasions when there would be bills that we really did care about, either wanted to kill or wanted to move, and we wanted it to happen. We didn’t want it to almost happen.

CASTANEDA: Do you recall some of those bills maybe that you were very much supportive of or vice versa, particular examples?

HAUCK: Well, normally we’d be very skeptical of tax increases, not necessarily always, but normally. Education-related bills that were crucial or at least we thought were crucial at the time to improve particularly K-12 education,

we would be real concerned with getting passed. Things like the constitutional amendment I talked about in relation to the legislative structure we were concerned with.

I could probably give you examples of legislation much later, but fifty years ago, it's a little hard to pick out specific bills. Gary [K. Hart] may have been able to give you more specific bills because he always worked in the area of education, and particularly K-12 education. I was much more a generalist that, when I was working as an employee of the legislature, tended to gravitate to, well, running the Speaker's Office or I ran the Assembly Office of Research.

CASTANEDA: What was their function? What kind of research?

HAUCK: Their function was to work on bills primarily, to either come up with ideas for bills, to work on getting agreement on them, getting some bipartisan agreement on them in the Assembly and then between the houses, to do some—not pure research. The intent of that office was never to be a pure research entity, but to pull information together that would result either in a bill or result in a case for a bill. I believe the office still exists or some version thereof. I don't think it functions the same way.

I ran that office for Moretti, but also later, subsequently I ran it for a year for Willie Brown. I worked for Willie for a year while his chief of staff went off to run campaigns. There's almost nothing around that place, in terms of function, that I didn't do at some point in my career, either from the inside when I worked for Brown was for a year on a contract actually

with our company, because his chief of staff had gone off to run campaigns, and he needed—

[Interruption - doorbell rings]

CASTANEDA: Okay, we're on.

HAUCK: So I think when I step back from at least the time that I was directly employed in the legislature, what I was always trying to do, and I think what was appropriate to do whenever I was working on an issue, was to try to bring diverse views together in order to get something done, as long as I was okay with the fundamental policy that was being pursued. At the time, I guess, for example, I would have opposed Prop 13 because I loved the property tax reduction, but I didn't think it was particularly good public policy and down the road it was going to be expensive. But short of that, I—

[interruption]

CASTANEDA: Let me ask you this. When you say bring diverse points of view together, how would you do that exactly? Would there be a meeting?

HAUCK: Painstakingly. The way you did it, I think, the way I'd say not just me but other staff folks, over a period of time you'd develop relationships, personal relationships with members, both Republicans and Democrats. So

if you were working on a piece of legislation, let's say, carried by a Democrat, if you had built a level of trust with other members, Republicans and Democrats, I could take a Moretti bill to a Republican and say, "Here's the gist of it. Can you help us with it?"

Lots of times I'd get a response like, "Whatever Bobby wants is okay with me."

Then, of course, we'd get into the details, and that would turn out not to be true, but it was true that the Republican trusted him. So what I and other staffers like me who went through this Coro program and through the legislative internship program, what we would do was try to come up with alternative approaches in a bill that we thought I could sell to Bob, let's say, or another member if I was doing work for another member, and that I also could sell to the Republicans that we needed at that point. So it was sometimes a very painstaking process to try to—"I think Bob will agree to this if you'll agree to that."

I think one of the benefits of this Coro program was that you understood that there were ways to create bridges between people of differing points of view that would happen or could happen if there was an honest broker in the process. Without it, without someone like that, it probably wouldn't happen. So for some time, actually, that's the role that people like me and others who went through these other programs, not exclusively, I mean there were other people involved, too, but that's the

role that we played, really, as honest brokers, and the crucial piece was trust. You had to build a level of trust.

I'd say this, Unruh was as partisan a Democrat as you would have found, but when he said he wanted committee staff to be professional, he meant it, and it was an important, I think, milestone in the legislative structure, because I don't think that was the case in most other places, and it actually stayed true until after Prop 13. It took a while after 13.

The fundamental problem for me with Prop 13 wasn't that property taxes needed to be reformed; they did. The problem was the way they got done. Prop 13 in that much tax period and it's just flat, it put us in a position where, in order to change it, you had to go back to the ballot, and to this day nobody wants to. Well, the Teachers Association has flirted with going to the ballot. Let's see, have they? Maybe once, but they know [unclear] Prop 13 is still very popular.

CASTANEDA: Even though people recognize the problems with it.

HAUCK: Yes. People do tend to recognize the problems; some people do. It's the beginning of a number of things. It was the beginning of reducing money for local government, which wasn't altogether a bad thing. It was the beginning of bringing people who were adamant about not changing a word of it, notwithstanding anything else that might have been happening, and it's still on both sides.

If the Teachers Association of California could change Prop 13 today, you bet they would. If the Howard Jarvis folks were pushed to do that,

there's no way, and they'd win and they have won. And then it's had an impact, certainly, on—I'd argue that it's had an impact on resources, particularly local resources and the state, because as you pointed out earlier, it definitely has impacted the state budget, and the state budget is probably, when you get right down to it, two-thirds of it, and maybe a little more, go to local government, go through state government to the local government, starting with education.

CASTANEDA: So Prop 13 is in '78. When you're working for Bob Moretti and there's Reagan and there's tax issues come up, what is your perspective of what's happened with taxes before Prop 13?

HAUCK: Before 13, I see a hundred years of stability, particularly between state and local government on—

[interruption]

HAUCK: Where were we?

CASTANEDA: From the vantage point of where you were, what do you think was happening with taxes and state finance?

HAUCK: The legislature failed, clearly, miserably when it came to property taxes. Because there had been efforts to change. A fellow by the name of Phil Watson, who was the L.A. County assessor, I think he had put at least two measures on the ballot, and they failed. Legislative leaders knew that the property tax issue had become a serious issue. Republicans thought the

property taxes were being used way too much for welfare and for social spending, and Democrats didn't agree.

So there was a potential compromise there of the kind we've talked about earlier, where behind the scenes you could have gotten people together, and there were efforts made certainly to do that, but in the end, somebody comes along like Howard Jarvis with just a flat solution, simple, almost one sentence. I don't think Prop 13 is more than three sentences, and people get it and that's it. I mean, you're done. They vote for it. Of course, he was a kind of a bombastic personality, but smart, knowing as well, knowing that if he put a nineteen-page measure on the ballot, you're going to lose. If he put one paragraph there that says your property taxes are going to be cut in half, you win.

CASTANEDA: Was he active before 1978? He must have been. Was he trying to get things passed or put into bills before then? Did you have to deal with him at all?

HAUCK: No. He was active, but he was active in his own area, in his own world, put it that way, and the fact that this was a very simple, very straightforward measure didn't really leave any room. He was reducing the rate in half, and that was that. He wasn't going to change it. He wasn't going to make it a quarter. He wasn't going to make it 30 percent. I'm sure plenty of research could tell him that was going to be very popular with people. So, no. And clearly he was not somebody who the legislature was ever going to warm up to, except for the very, very conservative

members who favored the measure, favored cutting property taxes in half. So, no.

That was the start of what had subsequently become people elected, much more rigid, much less willing to move, work with the other side. It certainly didn't happen overnight, but certainly you can still see the effects. What Prop 13 did was move the focus of spending by the legislature to only the things each member was interested in, because the amount of revenue coming in was reduced significantly. And when you do that, you do two things with a politician: one is you cut him off from his fund, his or her, because when it comes right down to it, as a legislator you're promoting programs and they cost money, and if there's no money for those programs, they're not happy. And if they have no money for programs, then they turn to their own personal and political ambitions, and that's what happened.

Slowly the money was drying up, so there wasn't money for new programs or there was very little, if any, and you had a reversal of the willingness of legislators to work together, because if you were going to compete with somebody in the next election, the last thing you wanted to do was give that person any edge. To some degree, that holds true to today. Things have happened in between, of course, that have also unwisely spent money that we either now don't have or even didn't have after Prop 13, a good example being 1999 retirement measure that Governor Davis signed.

CASTANEDA: SB-400, I think. Was that it? I remember that.

HAUCK: Because at the time, PERS was telling people that things are great, things are going to continue to be great, we can afford to increase these pensions by x , and it was true at the time, but it subsequently turned out not to be true. It got picked up clearly by especially the safety employees, picked up by most local safety employee groups, which is understandable. If the state's going to do it and PERS says the money's going to be there without question, they're going to pick it up as well, which they did. And just that one thing has led to part of the reason that we've got these bankruptcies that we're looking at in San Bernardino, and Vallejo went through once and, I think, is going through it again. It comes out of that 1999 legislation when things were booming and nobody wanted to stop the train.

Davis dealt with it in one way. Brown, I think, is going to deal with it, and so far he is, in a different way. Davis was willing to spend this one-time 12 billion, and that really was one-time money and he was putting it into ongoing programs. I remember Allan Zaremberg and I telling him that—Allan was president of the Chamber. I was on the Business Roundtable. We told Davis that if he would set aside a good percentage of that 12-billion windfall he had for one-time infrastructure debt reduction, that kind of thing, not ongoing programs, we were fully supportive. And that's where Davis started, but three, four months later, he let the legislature run over him and they spent that money on ongoing programs, and that's a lot of what got us in trouble. We were already in trouble when

the great recession hit. That just made it worse because the money was spent on ongoing programs.

One of the first things I discussed with this iteration of Brown was, “If we have a situation like this again,” which at the time we weren’t anticipating, necessarily, “what will you do? If you’re ever going to get your budget straightened out, if you’re ever going to get taxes more in line, you have to resist spending that money on ongoing programs.”

He said that’s what he was going to do. So far, I’d say he’s pretty much kept that. That’s what he’s saying today, that he’s not going to spend this whatever it turns out to be, let’s say 5 billion, 4, 5 billion, all on ongoing programs. He may spend some on ongoing programs, but he’s going to set it aside. That deals with the current operating situation, gets us pretty much, I think, in a break-even mode. The newspapers and media don’t happen to mention that that doesn’t get us anyplace, really, when it comes to retirement obligations and healthcare expense obligation. Those dollars are huge, but for the most part, they don’t get reflected in current operations except to the extent of the current amount that the state’s obligated for. They don’t happen to mention that.

CASTANEDA: The future loans?

HAUCK: Well, the ones that have already been accumulated plus the future ones that are unfunded, and that amounts to billions. So there’s a little bit of—not a little bit. There’s a fair amount of—what’s the right word? I don’t call it trickery. It’s just failure to report, or it may be reported, but it’s reported in

print like that [*demonstrates*], buried in the budget bill that no citizen is going to read, put it that way. I believe that Jerry recognizes that he has to restrain the legislature because the legislature will always spend it all and let somebody else worry.

We're jumping around here, but with these three or four reforms that have been enacted, which I was actively involved in all of them, and in the Roundtable I supported them all, I mean, when you change congressional and state legislative districts and have them be drawn by a group of citizens, a righteous group without any vested interest in the outcome, that's important. When you change term limits, that's important. When you permit someone to serve in either house that they can get elected to, that's important.

When you give them twelve years and you don't distinguish between the houses, you've reduced the total amount that someone can serve from fourteen to twelve, but you let somebody serve twelve years either in the Assembly or in the Senate or both, you change the dynamic, especially of newly elected members, from almost total focus on reelection or "What am I going to run for next in order to stay in public office?" You bring people who have a little bit of breathing room to do some real work, especially if you give them twelve years.

For ten years, out of 155 districts, roughly, I think, maybe 54 or 57 in California, congressional, Assembly, and State Senate, I think one changed parties over ten years. So it was a redistricting that was done in agreement

between Democrats and Republicans to keep seats safe so that elections were all fundamentally held in the primary, when many fewer people vote and the people who do vote tend to be much more partisan. That was not good. It happened elsewhere, I think, in the country, but it certainly happened here and led to the gridlock that we all, those that weren't involved in the deal, that we all decried.

I remember going in front of several legislative committees. I remember Joan Buchanan, I think, I was saying to them that they could fix any problem that they felt they had in the process, in the legislative process, without any additional law, without any additional constitutional amendments. And she looked at me and said, "Well, how can we do that?"

I said, "All you have to do is have the will to do it. You can change the way you operate here with joint rules. When you have joint rules, you can change those rules. Nobody else controls them. But you have to have the will to do it. If you're not happy with the process or the way things are working, it's no big deal to change it."

So clearly there wasn't the will, and you've got a lot more influence, or had, certainly a lot more influence in the leadership to make sure people stayed on their side, rare exceptions. Well, the structure now, I think, and I hope is going to result in more willingness to work on problems, more willingness to work across the aisle on problems, because people can stay in the Assembly for twelve years, as long as they can get elected, and when it comes right down to it, there are competitive districts, but there aren't

probably as many as some people would argue, that you're not going to be that concerned if you're working on something that you think some of your constituents would oppose. You're going to have time to work that out. That has to play itself out, so we'll see, but that's the idea. So with those changes, and add to those changes the open primary, the combination of those changes remains to be fully seen, but I think it's very promising.

We've had some evidence lately of members recently elected who are asking members like Willie Brown and others who have retired, "How can we actually work together with people from the other side?" In fact, there was a delegation of ten or eleven of them, I think, that I think went to San Francisco to talk to Willie about that. I think that's promising and I hope more of that happens, because that's what these changes have been designed to deal with. We can't go on just throwing stones at one another. It's one of the things that motivated me to talk to Bob about, you know, "Throwing bricks at one another isn't getting you or Reagan together."

So I guess when you stand back, as I've thought about this, my motivation in working around the legislature has always been where are there problems and issues that are not fundamentally partisan, that need attention, and is there anything I can do to fix them. It boils down to something that's almost that simple, and sometimes you're successful at that, many times you're not.

Later I spent two years or more full-time chairing the last California Constitution Revision Commission. I mean, there was no pay for that. Our

business subsidized that work because it wasn't supposed to be full-time, but in order to do it properly, it became full-time.

CASTANEDA: I want to talk about that. Do you want to—

HAUCK: Yes, let's take a break, have some lunch.

CASTANEDA: I wanted to go back. If there's anything else about your work for Bob Moretti, I'd like to finish off that and then move into the Willie Brown—how you became involved.

HAUCK: They kind of go together because Willie and Bob were allies in the Assembly, and Moretti appointed Willie as the first minority chairman of the Assembly Ways and Means Committee, which at the time was the Budget Committee, the central key Appropriations and Budget Committee. There had never been a minority member of the house that had chaired that committee. So they worked, and Willie's staff was excellent. Until Isenberg subsequently became mayor of Sacramento, Willie had a guy in San Francisco who became the CAO of the city and county, Willie was known for lots of things, but having competent staff was one of them. He was also known for knowing members' bills better than they knew their own bills.

When Willie ran for Speaker the first time, he lost because he treated the black members of his caucus—sometimes they publicly were very critical of him, and when it came time to vote, you could see they weren't going to vote for him. I think that was a real shocker for him and it took him several years to recover. So you pay for what you do. I watched it. I

watched two or three of the guys just stand there and not say anything, but you could tell what they were saying, “You son of a bitch. You did a number on me once, so payback is fair play.” Willie went back to San Francisco fundamentally for two or three years before he was able to recover from that, but then he did and got elected and still did some of that stuff, but that’s his nature.

CASTANEDA: Interesting.

HAUCK: At the same time, I don’t think you can argue, even though some people try, Willie knows how to do deals, and you can’t trust what he says publicly because behind the scenes he could well be negotiating a deal for whatever reason he has, and that’s happened a lot. Unless it’s a really bad deal, I wouldn’t be critical of him. That’s how you get things done.

So hopefully, as I was saying earlier, it won’t take the Willie Browns almost exclusively to get things done with these changes that have been implemented and with the inclination among younger members to actually try to engage with the other side. I guess the argument against that is you’ve had recently two members, three, resigning because they’re just frustrated, you can’t get anything done, Bill Emmerson being the latest example as of the first of this month. He just got so frustrated with trying to work with various factions, he just said to himself, I’m sure, “I’m x years old. Why am I wasting my time? I’m done.” Fair question.

CASTANEDA: You mentioned that, I think, you worked a little bit during that year under contract. How did that work?

HAUCK: It was a contract with our company, and we did it at the time because we needed the money. So I wasn't an employee, I was a contractor, and the money that was paid on the contract went to the company. The company paid me.

CASTANEDA: So did you leave the Assembly at the end of Moretti's speakership? I'm just trying to get the time frame.

HAUCK: Keeping track of these days is hard. That's a good question. I'm going to have to try to figure that out. I was there a total of six or seven years, and my recollection is I didn't leave right away, but I didn't stay there too much longer. Leo McCarthy became Speaker. I worked there a little while. Art Agnos. I worked there for a little while while they were running the house, but not for very long. McCarthy was a good person, but he was not suited to the job, whereas Moretti was. McCarthy didn't fit my definition of what a successful Speaker has to be, simultaneously loved and feared.

CASTANEDA: Right. You mentioned that.

HAUCK: McCarthy didn't fit that, either one. Nobody feared him and nobody loved him, so he had a problem.

Jud Clark, who had left the legislature, was after me to come over and get involved in the business that he was doing and that we were thinking about, so I did that. I think it was during the McCarthy era that I decided I wasn't really in sync with him, although personally I thought he was a

good person, so I was more willing to leave. I was with our business for quite a long time, in and out.

CASTANEDA: Which business is that?

HAUCK: This is State Net.

CASTANEDA: Information for Public Affairs?

HAUCK: Information for Public Affairs is the corporate name. State Net is the DBA. It's the entity actually that developed the first automated legislative tracking system that a legislature—we spent I forget how much, but it wasn't a whole lot of money. We're talking ancient days now; there was no PC invented. We actually supplied updated automated legislative information to the legislature. Before they developed their own system, we spent maybe 200,000 on it and spent certainly millions, and still didn't have the ability to deliver that kind of information.

Eventually, after spending many more millions, they were able to do that, and at that point we were debating our future as a business for the automated work that we did. It had been primarily a consulting and today it would be a lobbying business, as well, but the laws were different then. So it was a fundamental question for us as a business because as a consulting business, it's a personal services business. You're customers' clients or people who look to you personally, and if you get out of the business, you're out of business.

So ultimately we decided we were going to try to turn the business into something that was replicable by other people, and tracking

legislation, summarizing, tracking, updating, categorizing legislation we thought would be of interest to people, and they were all companies that definitely were interested and they're the ones who kind of got started in that field. We did California and then they wanted the western states and then they wanted the country. So that's a long story. Ultimately, that's what we did until the end of 2010, when I sold the business to Lexis/Plexis.

CASTANEDA: So the work you're doing, it's very similar, in a way, to the bill analyses you were doing earlier. You're kind of providing that service to the company in a sense. Is that accurate?

HAUCK: Now?

CASTANEDA: During the early days of the company.

HAUCK: During the early days, yes. This was when we burned up Xerox machines once a week. The data we had on bills were all the fundamental things: author, title, number, date of introduction, and a short summary, no more than that.

CASTANEDA: That's a really good idea.

HAUCK: Then we started doing by subject matter. We thought it was a real good idea, too, and it turned out to be a ton of work, way, way, way, way early in the automated world.

CASTANEDA: You were managing data without computers.

HAUCK: The first application we actually made successful was using an insurance company. What the hell's the name? The state bought the building.

CASTANEDA: Insurance company?

- HAUCK: It was an insurance company on L Street, short of 21st. Western—
- CASTANEDA: Western States?
- HAUCK: Yes. We used their IBM computers in the middle of the night to produce a daily report that we sold to I don't know how many lobbyists. Mostly they bought it because they trusted us. Our biggest problem was overcoming the resistance of their secretaries, who thought we were going to put them out of business.
- CASTANEDA: In their work.
- HAUCK: Exactly. Then when we achieved that, then we were able to sell information, but mostly the guys who bought it were guys who trusted us and wanted to try it out. It's a long story and a long process, but eventually we were able to do that. This was all stuff that was unprecedented in the legislative arena, and to say it wasn't easy is a gross understatement. And personally it was a real challenge because automated systems was not my thing, and I was going to wind up depending on the business for my retirement. I didn't have a public retirement and I don't. Fortunately, the business worked, and we were able to sell it for a significant price, but there was no guarantee of that. So, talk about rolling the dice.
- CASTANEDA: So you did that for quite a few years.
- HAUCK: Yes, I was back and forth. It was during that period that I did a year with Willie. I did two years on the Constitution Revision Commission, where we produced a formal report there with recommendations in a lot of these areas that we've been talking about. The Constitution Revision

Commission, I think, '96, '97, and there are copies of that report with the recommendations that are, I'm sure, in the library.

CASTANEDA: Besides working for Willie Brown, about fifteen years you're focused on State Net?

HAUCK: Maybe more. I came out of the business for two years to do the Constitution Revision Commission, a year with Willie. I was on God knows how many commissions and groups, looking at one thing or another, so there was time wrapped up in those enterprises, let's put it that way, but for employment purposes during that period, yes, I was employed by our company.

CASTANEDA: And you mentioned working with oil companies.

HAUCK: That was early. They're the ones who pushed the tracking. They wanted it in California and then they wanted it on the West Coast and then they wanted it nationally. Of course, we could have said, "No, we're not going to do that. We don't do that," but we had decided fundamentally, as a business, to try to take it in the direction of something that you could routinize so that it didn't depend on the personalities, so that you ultimately could sell it. So we went in that direction rather than, I'll call it, the personal services direction, which we had started out in or the company had really started out in.

Jud Clark, he left the G.O. Committee, Government Organization Committee, before I did and he left the legislature before I did. Again, I'd have to figure out those dates, but I went over to work for the company

maybe a couple of years or a year, at least a year, maybe longer, after he left to go to work in essentially his own business and also started the *California Journal*. You can pick up some of this history. Have you seen the magazine?

CASTANEDA: Yes.

HAUCK: We gave it all to Sac State.

CASTANEDA: What's the origin? How did that get started, the *California Journal*?

HAUCK: The idea was we were going to add content, substantive content to the tracking function.

CASTANEDA: That's very interesting.

HAUCK: It was a great concept. There weren't enough people at the time. It was probably a product that was in the marketplace before its time, and when you put something out on the market that is ahead of its market, that's not good. They have a publication that actually Lou Cannon writes the lead piece in each month, and I think it gets a lot of good attention because it's got good content, but it wouldn't have been enough to support a magazine. We ultimately essentially tried to sell it, but the buyers were either way right or way left, and we didn't want to do that, so we just shut it down.

We had a group that was interested and could figure out how to raise the money for the magazine for a year but not longer, and that had been the conclusion that we came to. It's essentially reinstated by this publication that Lexis puts out now, that Lou writes the lead article for. But we were losing money on the 200- to 300,000-a-year range. I don't remember what

year this was. We were starting to think about selling the whole enterprise and we didn't need any loss leaders, let's put it that way.

CASTANEDA: So that's really interesting. You were doing sort of technical data collection and then you had a journal connected with it, in a sense.

HAUCK: Yes. The premise was if you're going to do the basic work of tracking bills, summarizing them, updating them, and then reporting them, creating product packages for various groups to get aimed at oil companies, a range of issues, taxes, environment, let's say the Association of, I don't know, Osteoarthritis Practitioners, it's going to be interested in legislation, but a much narrower set of bills.

So we were able to provide that kind of help to people, but we thought, in addition, if we could provide more substantive background information, eventually you could develop a package that was not just tracking, but there was some analytical information, some substantive information. You could discover areas of interest of a client that were not involved in the tracking. Then you could provide and you could wrap that up all in a contract for, say, 15,000 a year, because you couldn't hire someone to do all of that for anywhere near that kind of money. So our premise on this thing was always if we get it right, we could sell a lot of information for a whole lot less than companies would have had to pay for it, but still enough for us to make a profit.

Eventually it worked out somewhat like that, but we were way ahead of our time, especially when it came to the substantive part, because, as it

turns out, the lesson we learned early was that the people involved thought they were the substantive part. They didn't want an outside company, an outsider, messing with their business, and it was threatening to them. It took us a while to figure that out and it cost us a fair amount of money to figure it out, but eventually we did. We were not stupid, but we were slow, put it that way.

A lot of things we were doing had never been done before. Nobody had ever heard of a legislative information system. What the hell is that? It's not like an apple. Here's an apple. An apple is physical. You don't have to explain what an apple is. When we would go into an office and say, "We have an automated legislative information service," some people would look at it, just say, "You've got what? What is that?" There was no tangible thing you can put in front of someone and say, "Here is an automated legislative information service," which is why I said that we had people who bought it, but there were people who bought it just because we asked and they wanted to give us a chance to see if we could actually make it work.

CASTANEDA: So when you expanded it, you sent it to certain states? How did you expand it?

HAUCK: Well, after we did California, we did, I think, Washington and Oregon because that's where there's oil.

CASTANEDA: The coast.

HAUCK: Exactly. Then it was over a period of time we did a few acquisitions and we began to develop a system for transmitting information from each state, not all, obviously, at once. It's like anything else. Once you get into it, you get into it in detail. We created districts and we had someone in each district who would get the information for us, FedEx it initially to us, and then we'd get it entered in our system.

Contrary to what people thought, actually the biggest barrier to entry of any company getting into this business was that not all but most of the states have some kind of automated system, but they're all different. So if you knew the differences and you mastered how to deal with the differences, it would take somebody a long time to do that and a lot of money. We had slowly been able to do that, and that's partly what made the barrier to anybody else entering what is a narrow niche business very hard to do.

Lexis and Westlaw, actually, also conceded that way early, because the legislative information that was on their systems was through a license agreement that we did with each of them, because I did both deals thirty-five years ago and all of the legislative information on those systems was our information. They paid us 25 percent, I think, was the royalty, 25 percent on all of the data that was used, and, of course, they got the other 75.

So it became a multimillion-dollar deal after a period of time. When we got around to saying that none of us is thirty-five anymore and we don't

want to work this hard, by that time Westlaw had done something else. There was no other company to go to. I figured the most logical acquirer was Lexis, which turned out to be true, although we had to go through some agonies to get there. They have an office where we were, 21st and K. If it's not K, I'm not that far off.

CASTANEDA: That's very interesting. That's a very entrepreneurial thing to do.

HAUCK: Correct. It's also been called stupid.

CASTANEDA: You saw the need for it coming out of [unclear].

HAUCK: Well, the need came from customers. So it was that, and the second piece was that I'd say we fundamentally decided the direction of the business at that point, not keeping it as a—

[interruption]

HAUCK: So, fortunately, in the end it all turned out all right, but there were a lot of agonies in between.

CASTANEDA: That's fascinating.

HAUCK: And entrepreneurial, yes, because nobody had ever done this before, and, of course, we actually got started in that business ahead of the development of software and equipment, and, fortunately, we survived, and the technology and the software and equipment caught up with us. We almost bought a computer at one point for a million dollars, which would have been a real mistake. I mean one machine. We ultimately operated on

much smaller equipment that could deliver the same kind of computing power.

CASTANEDA: Fascinating. Maybe this is a good time to stop.

[End of January 16, 2014 interview]

[Session 2, January 22, 2014]

CASTANEDA: So we were talking about the origins of—

HAUCK: State Net originated as California Consulting. We were able to do things in those years that today, I don't know how many years later, but would be outright lobbying. But at the time the law was different from today, so it was not outright lobbying, but in some instances it got close.

It was the time in which we were being pushed, asked, I'd say a combination of the two, by customers of California Consulting to track bills, particularly for oil companies who were customers that we were advising on their legislative strategy. So we said, "Okay, we'll do that, but that's not what we do." Well, we burned up a bunch of Xerox machines doing that, and then they said, "Well, you're doing a great job, but we'd like to have reports like this weekly," Washington, Oregon, California, maybe a couple of other states.

CASTANEDA: All along the coast, the Pacific coast.

HAUCK: Yes, because the guys we were working for were here and they were responsible for the West Coast. Eventually it was, "We want this information broken down in these subject areas for the country," and that was a fundamental point in our business because we had to figure out whether we were going to continue to be a personal services business/consulting business or whether we were going to move in this

direction of finding a way to automate—this is way before the PC was invented—finding a way to automate a reporting system that would work for these folks, and that was a real tough decision to make. We had to figure out what we were going to be when we grew up, is what I'm trying to say. We could either continue to be what amounted to a personal services business or we could start moving in direction of automating, whatever that meant at the time.

CASTANEDA: Collecting data and that sort of thing?

HAUCK: Not only collecting, but updating. We had a fairly lengthy process and discussion about that and we ultimately decided to turn it into more of an information services business, which nobody really knew what that was at the time, how you'd define that. We talked a little bit about this. That's how we got into selling the information, initially the California information, beyond the oil companies, but also for lobbying and lobbyists. We had fundamentally decided at that point that we were going to try to turn this into a replicable business, where twenty years down the road, or whatever the number, you could turn it over to someone to run without regard to personalities. It may have been a naïve decision, but that's what we did.

CASTANEDA: How many employees did you have initially? You mentioned that you had more as time went on.

HAUCK: California Research had employees, and we had—oh, I don't know. At Tenth and K or L, we had most of the floor on the second floor. It was on

the corner. There was a restaurant in there, many restaurants over the years. Tenth and K. We had a little suite and a single office that we rented to friends, to Steffes. We had one when he left the Governor's Office.

So we changed the direction of the business at that point fundamentally, and the rest is history, I'd say. That was at a time before the PC had even been invented, and especially smaller computers, software to do this stuff. The original software was all original, and in order to comply with the requests of these clients, we had to do the original programming. We weren't programmers. We were political people, so we had to find programmers. Made a lot of mistakes, let's put it that way, a whole lot of mistakes.

CASTANEDA: Trial and error.

HAUCK: Eventually we figured out how to do this kind of state by state, and that was our advantage in the end. Our advantage was people think that there are legislative reporting systems in each state, so why would I need to buy information. Well, you soon find out that the systems in each state are all different from one another. I don't know if there still are, but there were two or three or four that weren't automated, and so you had to back up and figure out a structure in order to be sure you're being accurate, because if you're not accurate, you're going to lose your customers.

So over a period of time, that's what we did, or that's what the company did, and at the end of that process, we had a roomful of people with PCs or computers who would basically record all of this information

that came in. We divided the country into sections. We acquired the information. We had a whole—it was like a production—

CASTANEDA: Yes, that's very interesting. Information management.

HAUCK: Right. It was like managing a production line of information. Exactly right. Every day, because we updated this stuff every day. Say you were in St. Louis and you're working for Shell Oil. You would have an area or areas of responsibility for tracking and understanding what's happening with every single bill that impacted the subject areas that your company wanted you to pay attention to. So eventually, not right away, we were able to do that for you. It was tough going, let's put it that way. Actually, in some respects, it's a miracle that it didn't bankrupt us.

CASTANEDA: Were there particular oil companies that were your first clients?

HAUCK: Shell, Chevron. Particularly Shell. Shell had a good ol' boy lobbyist who was a real nice guy. Chevron had a fellow that we did a lot of business with also on the regulatory side, because once they figured out that we could do some of the legislative stuff, they also wanted regulatory information. I mean, once you start this, it just goes.

CASTANEDA: Because you have the expertise to get that information more efficiently.

HAUCK: Structure, yes. Exactly. Really nobody in the country had done this.

CASTANEDA: What did your former colleagues in state government think about you went off and started this business?

HAUCK: I'm sure there were any number of them that thought we were crazy, and they were right, because this was unprecedented.

CASTANEDA: It's very forward-looking, though.

HAUCK: Yes, from today's perspective. It would have been far easier to continue to be a personal services business, but our premise turned out to be right. People were going to want more information if we could figure out how to produce it without regard to the personalities involved, with regard to the accuracy of the data, the completeness of the data. Down the road, the business would be worth some money, and it was. We sold it at the end of November of 2010 to LexisNexis for a substantial price. So between the time of people looking at you, saying, "Automated legislative information? What the hell is that?" to November 30th or thereabouts, 2010, a saga unto itself.

CASTANEDA: Is it more than thirty years?

HAUCK: Yes.

CASTANEDA: Yes, more than thirty years.

HAUCK: In fact, we were talking about this last night, friends of mine and our wives. None of us expected the thing to go as long as it did and to go in directions that it did, but when you're doing stuff like this, you have to respond to the market, which is what we were trying to do. There were times when we did it successfully and times when we didn't, and we had to get through that. Most companies go bankrupt when that happens because people won't tolerate the mistakes, they won't tolerate waiting. They want it now. As more time went by and as automation developed, people wanted things [*snaps fingers*] just really fast, and we were always working hard to try not

to promise what we couldn't deliver. Lots of times what we could deliver was not enough for the customers, and my response to them politely was always, "Well, nobody else can deliver this either, so you either aren't going to get the information or you're going to have to be patient with us for us to get it to you as quickly as we can, as accurately as we can. But we don't know of anyone today that can deliver it bam, bam, bam."

But that was the mentality of people when automation began early in the process. People have long since forgotten that. You went from no automation to an expectation by people that you could just produce things just [*snaps fingers*] jiffy quick. That wasn't reality. But we got through it.

CASTANEDA: I'm trying to think how to ask this. So you're collecting information. You're working for clients, you're providing information. Does that have an influence on the way that the state government works? In other words, for clients to be able to get this information efficiently from you, does that—

HAUCK: I'd say initially not that much. It got the legislature the ability to turn information in bills, introduction of bills, a short summary of the bills faster than they were getting it, where it got sent to the printing plant and it took a while and then get it back. But as opposed to some of the things we've been talking about, our objective here was to create a viable business that was useful to the legislature, but probably, more importantly, useful to customers.

CASTANEDA: Is it fair to say customers got information more quickly because of your service? They had better information, more complete?

HAUCK: More rapidly, yes, when we did it right.

CASTANEDA: In other words, are businesses able to deal with government more effectively because they have this information?

HAUCK: Well, initially they were able to use it. Initially, actually, they were just humoring us because they didn't associate us with harebrained schemes. So it wasn't much more than that initially. And actually we had to overcome the concern of secretaries, which I mentioned before, who were concerned that we were going to put them out of business, which, of course, we weren't going to do.

So initially the benefits of this were people were skeptical, put it that way. Some went along with it because they didn't associate my partner, Jud Clark, and me with harebrained schemes, and when we went through what we were trying to do, some of them paid attention and could see if you could make this work, it would be valuable to me and would also be valuable to lots of other people at a cost that was below what otherwise you might have to charge. Of course, that became even more true when we expanded out into the country, because if you're interested in information in New Jersey and Connecticut, well, how are you going to get that? You've got to hire a lobbyist or you've got to hire somebody in each of those states. We probably could give you the same information for a lot

less money, even only on two states. We could give you the whole country for what you probably would have paid for two states.

CASTANEDA: So do you have people in other state capitals helping?

HAUCK: Yes.

CASTANEDA: So you had people that are basically collecting the information.

HAUCK: Lexis does, because they now own the company. We slowly organized the country by what we determined were logical clusters and then figured out, within each cluster, how to efficiently get information every day. It was different from state to state, region to region. As I've said before, in the end, that turned out to be our secret sauce, in the sense that the barrier to entry—people would say, "Well, you've organized the country, you're tracking bills. Anybody could do that." Well, go ahead and try. Anybody can't do that, and we couldn't initially either. It took us years to organize properly in a way that would permit you to get reliable delivery of information and then turn it around. I did the deal with Lexis originally maybe thirty-five years ago. Instead of doing it themselves, they came to us and they paid us a royalty for the information, but they didn't have to create the whole infrastructure for a business.

CASTANEDA: Quite a network.

HAUCK: Exactly. There were lots of problems with that, lots of problems with the automation. Automation was in its infancy. We almost made a big mistake by buying a million-dollar computer. Fortunately, we didn't do that and we wound up running our system on smaller, much smaller

computers. This was developing very rapidly, and not to say it was easy, but the smaller computers were obviously much less expensive and they were able to handle pretty good-size volumes of information. That's the gist.

In the course of many years, personally I was in and out of the Capitol. Rick Brandsma also was in and out of the Capitol, but we were connected to the Capitol by the business in some senses, but also by times when we were in there. Then there was a two-year stretch when I chaired the Constitution Revision Commission, and the original premise of that was the commission, like a lot of commissions and groups that we were on, it was a part-time thing. You weren't getting paid for it. You did it because you were interested, but you had a real job.

CASTANEDA: You were appointed to that commission—

HAUCK: Pete Wilson appointed me.

CASTANEDA: —by Pete Wilson, right.

HAUCK: Like everything else, it happened that at the time the commission was appointed, California was struggling. Like all these things, the crisis creates the appointment of a commission or this or that investigation, but by the time you're finished with it, the crisis has passed. So now the challenge is how do you persuade legislators they need to pass legislation that was logical two years earlier, but not so logical when you're out of the crisis.

I wound up spending full-time on the Revision Commission. Fred Silva was the staff person and I was the chair of the commission, not being paid, so our business really was subsidizing my involvement. I got to a point where I could see that doing the chair on a part-time basis wasn't going to work, so my business partners agreed that I could go off and do work that wasn't going to benefit them or our business.

So we did that for two years, and it resulted in a report that I know is around, where we made a bunch of recommendations, many of which still, I think, hold up today, related to the structure of California government to make it a little more efficient, function better, define roles better. I think we did that, but you run into a real roadblock, especially when you're recommending eliminating constitutional offices, because legislators don't want any part of that. They don't want to eliminate any office that's of any consequence that they might want to run for someday, and that's the reason. It isn't that they don't want to eliminate it; it's the logic of—I mean, lieutenant governor of California makes no sense. It doesn't really have a substantial function of any kind. So we recommended, for example—and I don't know why they didn't buy that. It was too hard for them to understand, but what we recommended was one thing. If you're lieutenant governor, the governor could—not required—appoint you to any other executive branch job other than governor, no double pay, and have you function as a fully involved state executive.

So, for example, if you had a director of finance who happened to get along well with, or whatever the circumstance, someone who had some skill in state finance, the governor could appoint the lieutenant governor as the director of finance, and you'd have a knowledgeable person, you'd have a person who is close to the governor, because presumably you're not going to have a governor appoint somebody to one of those jobs that doesn't trust that person, and you have a statewide-elected officer performing that function, which brings some strength to the office, to the second office, without duplicating the pay. Pretty good idea, actually. I still think it's a pretty good idea.

CASTANEDA: Yes, it is interesting.

HAUCK: Well, they didn't buy it.

CASTANEDA: What were their objections?

HAUCK: I don't know that they had a lot of conscious objections. I think it was just different. It was just different, and probably there were people who were saying, "This is just a foot in the door. If you let them do this, then they're going to do this or this or this and this." Now, in some cases, we just recommended outright eliminating the election of two or three jobs, I think controller, treasurer—I think there was one other—and put people in those jobs that had expert knowledge in those fields. Legislators just don't want to eliminate any statewide especially elected office, even down to the Board of Equalization, because it eliminates things for them to run for.

CASTANEDA: Interesting.

- HAUCK: You'd have to go back through that report, which actually you can do pretty easily. We also produced this summary of the report, and Fred Silva—do you know Fred?
- CASTANEDA: I know of him, yes. I've heard the name.
- HAUCK: Fred is still around and works for California Forward. He lives in Napa, actually. When it was clear the work was going to require more than just me and my part-time people, we reached out for Fred. We did a whole lot of hearings around the state, and he staffed the whole operation with me. We had a couple of interns. It was that kind of an operation. He would remember more detail than I do at this stage. Cal Forward has an office right downtown.
- CASTANEDA: What were some of the other big issues that the commission was trying to address? You mentioned there was a whole slew of issues.
- HAUCK: It was really structure of state government trying to move itself into a more modern function [unclear]. We dealt with the budget. To this day, I can't understand why the legislature deals with the budget the way it does. Here you have now the General Fund—let's stick to the General Fund—about a 90- to 100-billion-dollar General Fund. That's a lot of money. You know you're going to pass most of it through to local government. The way they do it, the way they go about it is like they did 100 years ago. How much did we give them last year? Do we have enough to give them a little bit more this year? Do they do any program review? Not much. So where in the world is there a corporation or a government with 100-billion-dollar

annual operating budget that gives people their allocation based on what they got the previous year? It's crazy. There's no real system for evaluating programs, for eliminating programs when they don't work, modifying them. I mean, it's crazy. No corporation would ever do anything like it now.

What does make sense is doing some effort to figure out—take an example. We're going to be responsible for Medi-Cal on a continuing basis, so what should we do there? Just assume that the money's being spent efficiently? It's damn near half the budget, as is education. When you put the two together, healthcare and education, that's the General Fund right there.

So what should we be doing? We should be figuring out whether the way we're doing this is working for the people that it's serving. Now, they'll say that that's what they do. They don't do that. That's too much like hard work, it really is. So it's just nuts. We're spending more than 100 million a year, just using that as not a bad number, actually. There are ways to organize looking at whether that money is serving the people in the way that it's supposed to. Trying to get them to do that is like pulling teeth. With the Revision Commission, we tried any number of ideas and any number of ways of incenting them to do that.

Going back to the point I made with you the first time, which was that after the enactment of Prop 13, money got scarce real quick, so as a rank-and-file legislator, you had choices. When money got scarce and new

programs were not being enacted, you could work on one program, maybe, or two, or you could shift your focus to your own personal future. Most legislators shifted their focus to their own personal futures.

Then term limits, '78, '88, '90, twelve years later, kind of put the cap on it, because once term limits were enacted and we were still not in great financial shape, legislators were primarily concerned with their future, and they made it worse. Diversion of term limits that we enacted in this state were more severe than other states. You could serve six years in the Assembly and that was it, and then you could serve eight years in the Senate if you could get elected. So you couldn't use a portion of your six years to serve in the Senate, for example, or vice versa. Now you can, as a result of a ballot measure two years ago, I think. We cut the years to twelve from fourteen, and now you can serve those twelve wherever you can get elected. You can serve all twelve in the Assembly or all twelve in the Senate, or you can mix them up.

So when legislators don't have money, they focus on their own personal situation. It's what they have to do. What else are they going to do? Now, I could give you an answer to what else they could do. There's a lot of things they could do if they wanted to be serious about it. Most of them don't want to. Most of them, that's hard work. Most of them, or a lot of them, just want to pay attention to moving up.

CASTANEDA: So you're on that commission and you're chair of the commission for two years, about two years?

HAUCK: Actually, it was a little longer than that. The report was '96 to '98, I believe, and there is a summary document. The person who might remember a lot more details is Fred. But it was a real good—we brought together two of the most liberal Democrats and a few very conservative Republicans, including Joel Fox, who ran the Jarvis organization. I happen to like him. Joel's a very decent guy and he represents his point of view. It's not my point of view.

But I was trying to prove at that point that you can bring people from the right and the left together to agree, and we did. It didn't result in any action. That's the other side of the coin that you've got to face up to, and there are a lot of people around here, around the Capitol, who say government reform, political reform, all a bunch of nonsense. There's never any reform. Even after the years and years and years, I don't think I believe that, but if you're objective about the record, it's been difficult and it's taken a long time and it's often taken circumstances that you couldn't predict, put it that way.

The last three or four reforms, the term-limit change, the open primary. What else? Term limits reduced the time you can serve from fourteen to twelve. Redistricting a commission. What's the third one? There's two more, and I'm forgetting what they are, which is not good. But these are important changes where we probably haven't seen the ultimate result or benefit or lack of benefit from them, but they got done, and one of the reasons they got done is because Governor Schwarzenegger

at the time was willing to help raise the money to get them done. He wasn't good for much else, but there's no doubt he was—redistricting, for example, which had been on the ballot maybe three times before, had passed. It wouldn't have passed this last time without his work to raise money, to be able to explain to people at some basic level the importance of [unclear] in relation to ultimate outcomes in the legislature. So I give him a lot of credit for doing that and being willing to do it.

There's like 154 or 155 separate districts in California, congressional, State Senate, and Assembly. Over a ten-year period, one seat changed parties over ten years. People wonder why we got the gridlock. That's almost the explanation right there. When you don't have any competition, all the elections are decided in the primary because you did redistrict it in a way that locks the incumbent in. The elections are over after the primary. At least that was the case. Not so true anymore, no.

Is there going to be massive change? Probably not, but half the Assembly membership today is new. That's forty people out of eighty people. That's significant, and they're a different breed. I had a legislator ask me in front of a committee one day—we were talking about changing legislative process and she said, “We have to do a constitutional amendment to do this or a statute?”

I said, “You don't have to do anything. You function with your own rules. You've got joint rules and there's individual house rules. What these proposals require is the political will to do them, and that's what you

haven't had and don't have today," whenever that was, not too long ago, actually. "You have to have the political will to make these changes on behalf of citizens, on behalf of yourselves, because you're wasting tremendous amounts of time."

It happens to be true that after the passage of the measures that allowed bills to carry over, we wrote a new set of rules so that you could take the two years and divide them up in sections and focus on floor work, committee work, budget work, tax work. They took those proposed rules and threw them in the wastebasket, almost literally, and as a result, what you had and what you still have today, really, annual session rules in a biennial session structure. But that's the way they want it and that's the way—

CASTANEDA: Let me go back. So Pete Wilson appoints you to this commission.

HAUCK: Right.

CASTANEDA: What was his interest in it? He knows there needs to be some reform?

HAUCK: We were going through kind of a financial and economic crisis. He wanted more efficiency. In order to answer that question precisely, I'd have to go back to the *California Journal*, which would be a good thing to do. When we were trying to figure out what to do with the magazine, we ultimately concluded that the right thing to do was just to give it to Sac State if you all were willing to take it. So we went through a process there and then transferred all the issues. So it's complete, I believe, complete up to the time we stopped doing anything, but it covers the period we're talking

about, where the answers to your questions, there will be people who wrote on those questions.

CASTANEDA: You mentioned the California Performance Review Commission.

HAUCK: That was later. That was Schwarzenegger. Joanne Kozberg and I. He came in saying we needed an audit of state government. Well, first of all, the traditional audit was not what we needed. Program review process, yes, a big program review, yes, but he didn't know anything about government at that point. Even if he did, I'm not sure he would have—he wanted headlines.

What we did with the performance review was to try to—subsequent to the work being done and a lot of work, and good things came out of it. I don't mean to argue that that's not the case. I am sure to this day that quite a few good things came out of that work that we're never going to know about because people just implemented it. They weren't going to screw around with looking for headlines. They just implemented them because they were good ideas.

I am of the school, around California state government anyway, that we have good people working for the state of California, for the most part, who could do equally as well outside of government, who want to be proud of their work, who want to accomplish their mission in as efficient a manner as they possibly can on behalf of taxpayers, and I think that is true. I think it's always been true. I think it's still true. Are there some that don't? Sure, there are. There always are. Do they always do it well? No,

but people in the private sector don't always do it well either. I mean, people want to do a good job, so this performance review, I think the underlying premise of it was to try to demonstrate that people are doing good work.

So Joanne Kozberg and I agreed to chair the Post-Performance Review Commission, which was largely conducting a series of hearings to have folks explain why they made certain recommendations. Again, people knew that the governor wasn't committed to this thing. I would have just as soon passed on this, but it's like the governor asks you to do something, what are you going to say? "Go sit on it, Arnold," that's what you want to say.

It's like Leon Panetta would tell you, he didn't want to go back to Washington again. The president calls him and says, "Leon, I don't have a CIA director. I can't put somebody in there we don't know and trust." What are you going to say? Unless you're physically unable or you have particular circumstances, are you going to say no to the president? Are you going to say no to the governor of California? Probably not. Maybe. Maybe if you knew more about Arnold at that point, you might have said no, too, but we didn't know. We were still hopeful that he was going to prove to be more than he ultimately proved to be, quite a bit.

So those are things you do when you're involved in the Capitol and political process. Sometimes you're personally interested in it and sometimes you're doing it because of whoever asked and then you do the

best you can do. Usually it revolves around some aspect of operational pieces of state government, whether it's the executive branch or legislative. Executive branch folks tend to be more interested. Legislative folks tend not to be interested because it doesn't deliver anything for them politically. They want to get into stuff that's headline-grabbing.

CASTANEDA: I'm going to just pause for a minute here.

CASTANEDA: That would be a good place to start....

HAUCK: So we're talking about governors during my tenure in Sacramento. I arrived here two, three months after Ronald Reagan was elected governor for the first time. So he served two terms, eight years as governor, and then, clearly, went on to the presidency of the United States.

I also served here when Gray Davis was governor, when George Deukmejian, Pete Wilson, Arnold Schwarzenegger—I didn't really work for George Deukmejian, but I did little things here and there for others and I worked directly for Pete Wilson. I had also worked directly for Willie Brown for a year, and when people learned that I had worked for Brown and Wilson, looked at me, "How could you do that?"

I look back at them and say, "It's simple. No principles." But that's meant in jest.

These were, for the most part—we've got to pick and choose here—serious people who on the executive branch side, as opposed to the legislative side of political life, you're required to make real decisions and you have to defend them and you're going to make some mistakes. That's

a lot of the reason, at least in my view, that you get people that some folks think would make good governors who would be awful, because you've got to make decisions.

Look at Chris Christie at this point. He's fundamentally an executive, you can see it, but you're going to make mistakes and you're going to have people around you who make mistakes. It comes with the territory. Legislators don't like that. They want lots of authority and, for the most part, no responsibility for implementing decision-making.

So for California, whoever is governor is the chief executive officer of the state. That's an important job. It's probably one of the maybe five most important elected jobs in the United States. That's saying something. That's a big deal. You have the power to decide life and death or the power to spend, I mean, not unilaterally, but if you're really—let's take the high-speed rail. I know five people that support that. That's potentially hundreds and hundreds and hundreds of millions of dollars. I mean, we're talking about not inconsequential decision-making that a governor of California either can make or can push hard enough that it gets done.

Someone asked me a question recently, "Take us back to your view of the last effective governor," let's put it that way, and my answer was Wilson and then Deukmejian and then—who was before Duke?

CASTANEDA: Brown.

HAUCK: Brown, yes. I think subsequent to Wilson, Davis clearly, after spending his life to try to achieve the office, which was his ultimate ambition, which he

did, he let his risk-averseness come back and haunt him, and it had specific impacts on all Californians. When we were in the energy crisis, that was a perfect example of where we desperately needed the right and strong executive leadership out of the governor, and we didn't get it.

CASTANEDA: Why do you think that is? You say his aversion to risk. What was he avoiding?

HAUCK: He was like a lot of legislators, he was afraid that he wouldn't get reelected, and he knew that getting reelected was important to him personally. If you've been governor of California and you serve two terms and you do a halfway decent job, your future is pretty well assured. There's a bunch of people that are going to hire you for advice and counsel for a lot of money and invite you to stuff. But if you screw up, to be not gentle about it, and he did, because at the time, the price of natural gas was skyrocketing, and it wasn't his fault and it wasn't really state government's fault. It was the market. So we were saying, "Raise the price of natural gas and attribute it to the price in the marketplace. You're going to take a hit from the consumer groups, but you're going to stop this thing in its tracks if you do that, and then you're not going to raise rates. Or if you raise rates, you raise them only x amount." So the combination of the two would have stopped it, and we wouldn't have had DWT buying natural gas on the open market. We wouldn't have had the Enron situation, probably, here because we could have stopped it here. But he wouldn't do it. He wouldn't do it.

In the end, his unwillingness to do that, as well as to not sign that bill in 1999 that upped all public pensions, a very, very crucial decision because it's still on the books, turned him into a governor who was on the run. And people aren't stupid. So we wind up, under the law at the time, you elect the replacement in an open primary. Who do we have as candidates? Arnold Schwarzenegger and Cruz Bustamante, not a great pair of choices. Some of us hoped that Schwarzenegger would turn out to be good because many of us had no vested interest. Cruz Bustamante, of course, we knew.

So Arnold gets elected. Probably the only way he could get elected was in the open primary, and then, I mean, it was years of literally trying to save him from himself. I concluded he didn't have any real interest in governing. He was always paying close attention to how people felt about him, because, in the end, he knew he wanted to go back to—he didn't want to lose his popularity.

CASTANEDA: Making movies.

HAUCK: He did not want to lose his popularity with the general public and voters. When you step back, during that time we were going through some pretty ferocious financial problems, and so it means that you had left those problems with good staff, but a governor who really did not want to get into the nitty-gritty of what to do. I guess on one hand that's understandable because these are tough problems in a hundred-billion-dollar budget, but on the other hand, you're elected and you're responsible.

I think it's irresponsible not to get into that, or the alternative is resign.

Yes, you could do that. Nobody's forcing you to stay in these jobs. And you had a legislature, don't forget, during this period that hadn't changed one seat.

CASTANEDA: Wow.

HAUCK: They had changed one partisan seat out of a 155 over a ten-year period. So governors, we are—well, I'm not talking about today. Today we're back to Jerry Brown. That tells you something, and here's someone who's seventy-five years old. Apparently there wasn't a younger Democrat or Republican that was even arguably viable with voters to have them consider really running.

On the Republican side, you've got a current example. There really is no viable candidate. So now you've got this phenomenon again of Neel Kashkari, who I think actually is probably a pretty bright, pretty competent person. He gets into—who was OSHA's secretary of the Treasury? A tall guy. How soon we forget. I read all of his books. Anyway, Kashkari worked for him, and Kashkari's probably a competent guy on the finance side, which would be good, and knows that it takes work to be good at it, but how many lessons do we need on running someone for governor in California who's never been elected to public office?

Meg Whitman's a very competent person, very competent person, and really did a lot of homework to prepare herself to run for governor, but doing all of that doesn't give you a clue of what it's like to be in a knock-

down, drag-out statewide race for governor of California, period. You have to be involved in one or more of those, travel with the candidate, running into all kinds of crap that you run into and handle it, not just run into it, but handle it.

This all leads back to how long has it been since we've had a real governor. In my view, Pete Wilson and then George Deukmejian before him, and now I'd be willing to say that this time around, Jerry Brown is doing several important things that he didn't do during his first run at this. I don't think there's any doubt that he is restraining spending for his—I'll amend that. So far, so good. He said if we had a windfall of revenue, he was not going to permit the legislature to spend it all on ongoing programs, some, but the rest reserve a few one-time infrastructure-related projects, hopefully not high-speed rail. So I'd say so far, so good.

Secondly, the California Chamber of Commerce has its list of job bills each year. He vetoed every one of them except one, and I think the one was high-speed rail. It might not have been; it might have been something else. So he understands that if the economy is not improving, his budget isn't going to improve and jobs aren't going to improve, and none of those things are good for a governor. So I think he's doing, on crucial things, a better job this time around than he did the last time around. I mean, I would expect him to do that. He's had a fair amount of experience since the first time around.

I don't believe any of this talk about him running for president. I think that's a lot of nonsense. You're not going to have a seventy-five-, seventy-six-year-old person running for President of the United States. Give me a break. I don't think he's serious about it either. He just likes to play with it.

So I'd say where I would fault him a little bit is on a little more out-front leadership, charisma, enthusiasm, but underneath all of that, so far he's doing pretty well. But we had a pretty significant gap there where we didn't have any real executive leadership, and for a state like this, that's real tough to sustain at a time when your budget is being slashed by circumstances, put it that way.

CASTANEDA: You worked for Wilson. Can you talk a little bit more about Wilson, describe your experiences with him? How would you describe him?

HAUCK: Pete Wilson, a great guy, very, very dedicated to good government, pretty balanced person, understands the consequence of a governor of California from signing a bill that might adversely impact a group of people or help a group of people, to signing an order that sends somebody presumably to execution in a prison. I watched him go through a process like that once, where this was really serious, and he ultimately wrote the decision himself. He didn't ask someone else to write it for him.

So he's a very serious person. He had a seat in the U.S. Senate from California, more of a moderate than a conservative from San Diego, environmentally oriented with environmental credentials. He could have

stayed in the U.S. Senate probably for the rest of his career, and, instead, walked voluntarily away from it to run for governor because he wasn't, by instinct, a legislator. He was an executive. That's a real difference.

We've talked about this.

So I didn't agree with Pete on everything, but I loved the way he went about doing the job, tremendously dedicated, tremendously willing to be a leader, tough, tough little former Marine, brought really good people around him, really good people, people that are still out there today. Kim Belshé is a crucial public houseperson for California. She grew up with Pete Wilson. We have a group—and I include myself—there's a group of people around Pete Wilson who've been around him from time to time for forty years, almost, now, and if any of them picked up the phone—and there have been times when we haven't been back working together—anybody picks up the phone, or Bob White, who was Pete's chief of staff, we pick up the phone and say, "Pete needs you to do the following if you're able to do it," there's just no question we would all respond to that if he was asking.

There's been a couple of reunions of Wilson people over here by the old Governor's Mansion. You know that parking lot there that is right next door. They fill it with people like that. Pete Wilson picks up the phone and said, "Bill, how ya doin'?"

"I'm doing great, Governor. What's up?"

He'll say, "Would you mind—," this or that.

“Absolutely not. I’ll let you know when it gets done.”

It wouldn’t be, “I’d like you to do the following. Would you mind?”
A real leader, I think. A really decent guy. Don’t always agree, but that’s also good. And tremendously dedicated to California. Most politicians, at least that’s my observance, use and abuse people, even the people that work for them. Pete Wilson—every politician uses people; that’s the nature of the beast—he does it with consideration, respect, with, yes, consideration.

CASTANEDA: Humanity maybe?

HAUCK: Humanity. Yes, that’s a good one to add, those three things. We would say what’s different about that? What’s unusual about that? Well, it is unusual, especially when people get in a high office like that think they’re the cat’s meow. Never did that to this day, and someone who’s very loyal.

He came by my house recently just to see how I was doing because Bob White, who was his longtime chief of staff, told him that I had a serious problem. He comes by the house and sits down and wants to talk and wants to engage. That’s my kind of politician. I don’t care about party or anything else. That’s the kind of person that, in the end, is the best kind of person for a public office, I think, for any state, but certainly for a state that’s as complex as this one and as big as it is. It might as well be a country on its own. I never saw that out of anybody, any other governor. I mean, Arnold used to walk into a room, he wouldn’t even see you if you

were standing almost right next to him. Somehow he'd get focused on something in front of him, and it was very strange.

CASTANEDA: Interesting.

HAUCK: I don't know if you remember, it was 2005 when he proposed these four or five ballot measures. Oh, what a nightmare. What a nightmare. These were not thought-through proposals. They were in areas that needed to be dealt with; retirement, for example. That year was the worst year I ever spent working around the Capitol. It was trying to save him from himself.

His healthcare proposal—I mean, here Hillary [Clinton] had made this big proposal, and you could say the objectives were the right objectives. They probably were, but people weren't going to swallow them all at once. You would have thought he'd have learned the lesson, but, nope, even though we went to him and gave him three or four things he could do at the time that people would have loved, like the state will cover, under Medicare or Medi-Cal, all preexisting conditions. We won't refuse service because of a preexisting condition. We'll cover all kids, and a couple of other things that we could have done at the time, people would have loved. They would have loved it. He'd have been a hero, and he could afford it because we figured out that he could afford it. Wouldn't do it. *[Imitates Schwarzenegger]* "Got to be big. Got to be very big program." Hillary tried that. The big program didn't make it. I mean, it's just very strange.

So, governors make a big difference. In a state like this, a governor is a big deal, and if you don't have a good one, that's a big deal.

CASTANEDA: What was your official position with Pete Wilson?

HAUCK: Deputy chief of staff.

CASTANEDA: So he asked you to become that?

HAUCK: Well, I go back with them and people like Bob White and Gary Hunt and Jack Flanigan. There's a long list. When Pete ran actually for the U.S. Senate, I worked in his campaign. I probably was the only Democrat that worked for him; not the only one. So I go back to he and Bob White when Pete got elected to the Assembly. I was here working for the Assembly G.O. Committee, so I go back with him, and that's where I got acquainted with both of them.

Then Pete left to run for mayor of San Diego. Some of the people around Pete Wilson, the Coro group. We talked about that. So ever since we've been friends, and quite a few of the people around he and Bob have been friends for forty-plus years now and it came from getting acquainted with them when Wilson was in the Assembly from San Diego.

CASTANEDA: Just to get a sense of, generally, the responsibilities of a deputy chief of staff, what is your day like?

HAUCK: It depended on the people. He had a strong budget staff. I think Tom Hayes was his budget director at the time. In the horseshoe, right in the Governor's Office, I was the lead on budget along with anything else they needed. Bob recruited me in there, along with a fellow by the name of

George Dunn, who still lives around here, but I haven't seen George in a long time. They came from the U.S. Senate because Pete got elected to the governorship while I think he was still serving as a senator.

So what Bob said was, "I need you. I need you to come over here because I need a few adults in the office." Because the staff, as you know, congressional staff tends to be younger people, except for exceptions of people who are—if you're on Armed Services, you have a chief staff person who pays attention to that, and those are usually people who are pretty experienced in that field and maybe intelligence and a few other things. But mostly they're younger people, like a Kim Belshé, who started, really, with her health policy interest in Washington and now is a major player in health policy in California, maybe in the nation.

So Bob knew that at that point I was an adult, and there were things that I did, legislative-related, some legislative-related work, where my office was not far from his office, but also close to the Chief of Staff's Office, the Governor's Office, and I'd say the leg[islative] unit, kind of in the middle of the legislative unit. So a lot of things I did related to the legislature, related to special requests, related to the budget, related to trying to work out agreements on bills, not a lot different from the kinds of things that I did when I actually worked upstairs years before. And they trusted me personally. I mean they trusted me. Basically every principal politician that I worked for ever trusted me, and that's important. Bob Moretti would say, "Why don't you do this or that?"

I'd say, "Because I didn't get elected to do it."

He said, "I trust you to do this."

I said, "I understand, Bob. I appreciate being trusted, but in these three cases, I felt like it was important that a staff person not do that, that it be the elected person, the elected official."

I never had one of these people, Moretti, Wilson, or anybody, Willie, even, look at me and say, "That was a really stupid move on your part," not that I didn't make mistakes, and I never had one say that he didn't trust me.

A lot of what we've lost, at least up until now, in the Capitol was this level of expectation of trust, a really important point, because people in higher-level public decision-making situations need to be honest with each other and they need to trust one another, or it doesn't work. That's really what I always worked to try to achieve, was the trust of the people that I knew were responsible, whatever their party, because I knew that if we had that, that they trusted me and I trusted them, we might not succeed, but we would not cut one another to pieces in the process of not succeeding. That's in the interest of citizens, and I think, at its core, that's what justifies paying politicians to do these jobs that citizens can't do every day, but that the politicians need to inform citizens, because that, in the end, is the strength or the weakness of our government. That sounds pretty heavy.

CASTANEDA: No, that's good. Did you ever consider running for public office? You had developed so much experience and inside knowledge.

HAUCK: Yes. Yes, kind of. I did years and years ago. I was living in Carmichael, and the county supervisor, Gene [Eugene] Gualco, got elected to the Assembly, so that seat was open. The county supervisor seat was open. The way it got filled was the remaining members of the board, four, could unanimously pick someone, and after thirty days, it would go to the governor, and the governor would appoint.

So I became a candidate for that seat, and I went around and got three out of the four remaining supervisors. At the time, I'm a young Democrat and I persuaded three of the remaining supervisors that I had worked around the legislature already for six years or so, and that I didn't have any interest in running. Because that's what the Republicans were saying, "You can't put Hauck on that board because pretty soon he's going to wind up running against one of our folks. That's not going to be good."

So I got three out of the four, and Sandy [Sandra R.] Smoley, who's a name you might know, wouldn't vote for me. So even though I told her directly and other people told her, "I've done this. I'm moving on. You might not think so, but it's true," she didn't. I think it was more she couldn't stand the criticism that she knew would come to her by being the deciding vote to put me on that board.

I think, in the end, it was a good thing that it didn't happen to me because I would have been the swing vote on everything, because there were two people on one side and two on the other, and I'd have been in the middle. I don't know what would have happened out of that, but other than

that, I never was a—to be a candidate, that’s a whole different animal and expensive as well. So, yes, I did consider it, but I guess eventually I thought that for my personality, for, I don’t know, just a whole range of things, I could do better work, maybe more productive, hopefully, behind the scenes or kind of semi in behind the scenes, having one that’s kind of trusted, which we just talked about. So I wasn’t really super disappointed.

Unfortunately, the governor, Reagan at the time, appointed a local guy who was in advertising. His first name was Fred—I forgot his last name—who at some point in this process, or later on, drove into his garage and closed the door and turned the car on and committed suicide.

CASTANEDA: I think your work with State Net and being involved in all of these different other positions was certainly interesting.

HAUCK: Oh, there’s no doubt about it. There were days I would have called it something other than interesting. *[laughs]*

CASTANEDA: One thing we haven’t gotten to and we probably can’t finish it today, but start, education is a big theme in your career too.

HAUCK: Particularly higher ed. Well, you can’t be involved in public policy in California without having some involvement in education. We’re spending basically half and maybe more of our General Fund on K-12, K-14 higher education, and we are spending significant amounts of money on public higher education. So, yes, and the Roundtable over the years was consistently interested in particularly K-14 because the public school system of California produces the workforce, as does the CSU system. The

University of California, they play a very important role, don't get me wrong, but it's much more a research role than it is a day-to-day education function, a job development function.

I think, first of all, the K-12 system is a literacy—if we don't have a population that can function in the environment that we're living in, where people can speak the language and get enough education to be sufficiently productive in businesses that are growing, our economy will stagnate. So it's all about quality of life for people. It's all about sustaining growth that develops quality of life. Instead of having people fleeing to other places and instead of 38 million people, we could have 20 million people, and there's probably a lot of people that would like that, but what will that do to your economy? What will that do to the quality of life to the people who stay behind? So it makes sense for businesspeople to be involved in that, so that got me involved.

Being a product of the CSU system certainly got me involved. Actually, it's the only thing I ever asked Pete Wilson to appoint me to was the CSU board, because I had been the first student, not because of, but it just developed. I recall going to those meetings, thinking to myself, sitting there saying, "One day I'm going to be on that board," because I wanted to be and because I thought I'd be good at it and because it was a little bit of a perk, yes. I didn't do these things because of perks, but it was just one of those things you say to yourself, not to anybody else, "I like this. I think it's important. I want to go from unsanctioned student to chairman of this

board,” and I did. I was the chairman of the board in '98 to 2000, I think, and actually we only permitted people to keep that goal for two-year periods, which I think has been a good thing. I'm not so sure about right now, but it has been a good thing. So, yes, I went on. Barry Munitz was chancellor at the time. Wilson was governor.

CASTANEDA: The first time you were on the board there, and you probably were reflecting back to when you were a student sitting on the board, do you recall your—you've sort of already talked about it, but I'm just trying to get a sense of that, because there you are again, returned to it.

HAUCK: Right. In his inimitable way, Bob White—I said, “Bob, you're making me do the FEPC. You made me do a couple of other things that I wanted no part of. You know what I want to do. I want to go on the CSU board.”

He said, “Yeah, yeah, yeah, I know, I know. Don't worry about it.”

“Yeah, you're just playing with me a little bit.”

So, yes, I do remember that when I got appointed I felt pretty good. I didn't want to feel too good, because it takes a two-thirds vote of the Senate to confirm you if you get out of Rules, and twenty-seven votes in that house could be a problem. Fortunately, that was 1993—because I've been on the board now twenty-one years—we weren't arguing about salaries so much, and the union was there, but the guy who was the head of the union wasn't nearly as effective as a couple of subsequent people were, if you want to say, effective. They were more effective in the sense of they were more skilled at raising hell, definitely more skilled.

So, yes, I was feeling pretty good and I was looking forward to serving on the board because I had always wanted to, and because I respected any number of people who were on the board at the time, and I wanted to get my teeth into an area like public higher education. I've said not often, but I've said it publicly that I believe strongly that to the extent that I've achieved anything of any note in public life in California, I attribute that success to the people of California who afforded me the opportunity to go to a university at a cost that was—and I would argue still is—affordable, and that having institutions like that are crucial to the quality of life of everyone in the state.

Today it's even more important because of the growing gap between the haves and the have-nots. I'm sure if somebody took our personal financial statements and analyzed them in a righteous fashion, we would not be in the category of have-nots. I mean, we're not rich, but we do have resources. If I had stayed in New Jersey, I might have gone to Rutgers at night in Newark and worked during the day. I don't know. The opportunities to go to college in the East, you hear reports of the news out here of the student with debts in the 30,000, 40,000 range. They never tell you that those are debts that kids are incurring that are going to private schools in the East, some public. University of Michigan is a, quote, public university, but it's expensive. It's nowhere near what a CSU student pays. So it's a long way of saying I feel strongly a debt of gratitude to the people of California, who, I believe, wisely have invested especially in the

CSU system, which is certainly producing the workforce of California, and I wanted to contribute to that and I've been trying for twenty-one years.

That's really the reason.

CASTANEDA: So Barry Munitz is the chancellor. Did you know him before you were on the board? What relationship did you develop with him? How would you describe it?

HAUCK: I had a very good relationship with Barry, very good. He was very bright, very cerebral. I contrast his style to Charlie Reed. When Barry killed you, you didn't know it for a week. When Charlie killed you, you knew it right away. *[laughs]* There was no doubt about it. So, different styles, but really good people, bright, very bright. Barry, Charlie, Tim White, very bright guys, hardworking. Did I know Barry? Yes, I think I knew Barry, didn't know him well. I didn't know the preceding chancellor. It was a woman, I believe, who was not—

CASTANEDA: Yes, I think you mentioned her last time.

HAUCK: *[unclear]* successful. And then Barry got recruited to go to the Getty. Then a woman by the name of Martha Fallgatter, who was on the board, who was from, at the time, Bakersfield, we teamed up and recruited. We went to D.C. and interviewed people, and Barry was involved, certainly. Who else? A couple other people who knew Munitz, and we wound up with Munitz as the chancellor.

The way you get that job, it is the board; it's not the governor. It is the board in California. Now, there may be some states where it's the

governor more than the board, but here it is the board that chooses the chancellor and the presidents, for that matter. So we picked Munitz because we thought he was going to do a good job, and he did. He got in trouble later when he was at the Getty, but that didn't have anything to do with CSU.

Martha had moved by that time, I think, so unless I'm not remembering this accurately, I chaired the group that wound up with Charlie Reed, although Munitz knew Reed, and I think Munitz had industry meetings kind of setting him up. Because there was only one bigger job in higher ed that Reed didn't have because he was running the Florida system at the time, and that was California. So the question for him was really going to be did he want to take a flier on the biggest and toughest system. So we did a lot of work to try to convince him that he had a strong board with strong support, that wanted to take the system in the direction that he wanted to go in and that we wanted to go in, as well, and so we chose him. I'd have to go back and look at the dates, but I chaired the board while he was chancellor. I was vice chair and then chair.

He had the job for fourteen, I think, almost fifteen years, during I would argue the toughest times the system ever faced, and not just with respect to money, but the lack of the money, the ferocity of the faculty union, not the other unions, for the most part, much different from the approach to things—yes, Pat Gantt, I think a real decent guy and really

wants the best for his people. I'm not so sure that's always a guiding principle, let's put it that way.

They all think I'm anti-union. I'm really not anti-union. I got through school working at Lucky's as a card-carrying checker, bagger, cashier, you name it. As I told you, I think, the first time we got together, we surprised Gavin Newsom with that information.

CASTANEDA: Your first years under Munitz, what were the big issues? Was it finance? I know it becomes a big issue.

HAUCK: It always is.

CASTANEDA: Was it also the big issue then?

HAUCK: No, not as much. There's never enough money for higher ed. There's no Prop 98 for higher ed, and we haven't talked about Prop 98. No, I think the issues—now, we're talking almost fifty years ago, stretching the memory here—were more substantive, more where do we want to take higher education. Current issues in higher ed at that point were not the same as they were when the system, so called, got formed in 1960. Because this is now how many years later? Ninety-three. So thirty-three years later. So it had been functioning as a system rather than the individual state colleges. So I think if you sat down with an agenda book from, let's say, 1998, '99, 2000, I really don't know what would jump off the page, but I think that we spent most of our time on finance, on, priority-wise, ed policy. The Ed Policy Committee is an important committee of the board. Finance is important committee of the board.

There would be issues related to curriculum, role of the CSU system in terms of curriculum, in terms of teaching methodology, emphasis of curriculum, where we're putting the most resources in relation to the state's needs, workforce needs. There's never been a doubt in the CSU system since I've been involved in it that this is the workforce, the engine of economic growth for California. A successful CSU system or successful economic growth requires a successful, educated workforce, which is happening, really, and it has been now for quite a while in the CSU system. This is where kids blossom. This is where kids learn that they're really into STEM or they're not, or they're into stuff that's—you can guide someone who has an interest that will have a direct impact, when you put it together, on the economic success and the ability of the state to produce jobs and, therefore, quality of life.

I don't remember, to tell you the truth, what we were working on in 1993, '94, '95, right after I went on the board, but I'm sure we thought, whatever it was, it was important at the time. When you step back and you look at the number of graduates that the system has produced, wow. I mean, there's no question it's the CSU system that is the work engine of the state's economy. It's not UC in the day-to-day working sense. San Jose State has produced more engineers for Silicon Valley than the UC system ever will, but these are on-the-ground, day-to-day engineers. These are not research scientists. We're not producing research scientists, for the most part.

CASTANEDA: One of those things you put on your list, too, is the Master Plan. I know there are discussions sometimes to look at that and maybe adjust it if it's necessary.

HAUCK: It's been looked at several times.

CASTANEDA: Over the long term, how does the board think about that? Is the Master Plan something that needs to be adjusted? I don't mean today. How does the board look at it over time?

HAUCK: Now I'm going to say a couple things that are going to get me in trouble. I think this conversation about adjusting the Master Plan is a bunch of bullshit. Everybody involved in this process knows the role of each of the three segments. The University of California is fundamentally today a research institution, important, very important. The CSU system, along with the community colleges, is producing the workforce of California, period. Everything about the CSU and community college systems is practical. What are you learning? I mean, what are you taking? What are you going to get at the end? What are you interested in as a career? I think it's crucial.

I think the Master Plan was always a political document. It was Clark Kerr's way to make sure that the CSU didn't start encroaching on the university, in relation to awarding doctorates particularly. Now, it happens that we are now awarding some doctorates. How many are we awarding? Three or four, I think, maybe five now, that are in specific areas that the university doesn't want any part of, actually.

CASTANEDA: I think nursing is one, and audiology, maybe, more practical things.

HAUCK: Exactly. That's exactly right. So people have tended to hold this Master Plan up as a holy grail. I think it's a lot of nonsense. It's a highly political document by a person who's protecting his turf. Clark Kerr was protecting the University of California's degree and the value of the degree by making sure that the CSU system wasn't going to willy-nilly run in and start awarding Ph.D.'s in English or a Ph.D. in, I don't know, pick something that's—

CASTANEDA: Yes, any of the liberal arts or applied sciences.

HAUCK: Exactly. I think that people are still holding it up as a holy grail and I think it's a lot of BS. I think that part is. The part that is producing functioning people who otherwise wouldn't have a college degree, that part is real.

In May, I was at a graduation at Channel Islands. These graduations are all pretty much the same. There's a platform committee that comes in, goes up to the platform. So I'm walking in and it's roped on either side, and I'm walking next to the rope. Every single person I walked by said, "Thank you for educating my daughter." "Thank you for educating my son." I'd say 85 percent of these folks were Hispanic. Their kids never would have gotten a college degree without the CSU system, without Channel Islands. Now, are they prepared for rocket science? No, but they're prepared for basic work. They're bilingual. They're probably, in many cases, prepared to do at least master's-level work and maybe beyond that. You look into the eyes of these people, and it's not just the fact that

their son or daughter has actually done better than they were able to do, which was a big objective of the parent, but they sincerely appreciate what's been done. That alone is enough for me.

You look at some of these kids—they're not kids either. Some of them are twenty-seven, twenty-eight, twenty-nine, thirty, single parents, maybe a couple of kids. They're dealing with the kids, they're dealing with school, they're dealing with their classes, they're dealing with two jobs, three jobs. I mean, pretty remarkable, pretty remarkable. If you didn't have any other reason for trying to help kids like that or people like that, to me, that's four or five pretty darn good reasons for helping them.

CASTANEDA: Do you think the state values that role enough to keep the funding? I might be wrong, but I think the state gives the CSU and UC about the same, but UC has a lot of other sources.

HAUCK: The CSU system has two sources of operating income each year: state appropriation and net fees, net. Because any family—and this is true for UC too—with an income of 75,000 or less, a family of four, the student pays no tuition, zero, none, and that's true for UC, as well. So do people—that's a tough question to answer because resources are always scarce, so you're always asking about tradeoffs. Would you spend the money on x or y ? It's not a case of would you spend it on x and y . Probably yes.

And we've created a situation—and I don't think voters knew this, really, when they did it—first of all, Prop 13, then Prop 98, and now you could add to that Prop 4 and probably five or six other propositions that

have constrained our General Fund spending by law, by constitution and by law, that has reduced the discretionary General Fund, not quite as much as people say because there are always ways around things, but by quite a bit.

So let's pick a number. If you've constrained General Fund spending, which the CSU has entirely depended on, if you cut total General Fund spending by 20 percent and you've got \$100-billion General Fund budget, that's a ton of money. So in the course of this recession that we went through, we, net, were down by a billion dollars at a time when the legislature and the governor and others wanted us to do more with a billion dollars less, which impacted you, it impacted every employee in the system. That's not fair. So that's where we got into a lot of fights with the CFA, even though had we had available money for salary increases, we gave it. When we had it, we gave it, so notwithstanding all the rhetoric.

Anyway, I'd say we've noodled on this a lot, very difficult to, in general, get across to people the value of these educations. Where you really feel the value, where the people are getting it is in the story I told you a few minutes ago about parents lined up just saying thank you.

CASTENADA: You hear the appreciation.

HAUCK: You know you could look into their eyes and see that it is sincere. So at that level, yes. At the macro level, it's been much harder to break through the clutter of noise, of special interests. Let's call it blogging for more pay is you're a special interest. It's fine, legitimate. There's nothing wrong with it, but you're looking out for you first and not somebody else. I don't

have any problem with that, but as long as there are competing forces to counter arguments that need to be countered.

So, no, the answer to your question is the long way around, it's been very difficult to find a way to convey to people in general how difficult or how important it is to get these kids educated. There are a lot of other people who depend on General Fund money who would make the same case, and part of the reason that I opposed and that others oppose many initiatives is that we are slowly, or not so slowly, depending on your point of view, through initiative measures that are decided by the people on a one-by-one kind of in seriatim basis, restrictions on General Fund spending.

When you stand back after twenty years and say what have we done to ourselves here, you've restricted yourself, and what you're doing in the process of favoring K-12 or K-14 or high-speed rail or go down the list, not that some of these things aren't very important, is you reduce the amount of money available because the pot's not growing. You've reduced the amount of money that's available for general distribution to CSU schools, to community colleges, although my bone with them is they have not been willing to be accountable for the General Fund money that they spend in relation to the results, and some people would argue that CSU hasn't either. At least since Charlie Reed started, we've been open to every measure of accountability that any reasonably wanted to apply and we still are, because that's the way it should be.

So the answer to your question is, no, I don't think we've convinced people. I think it's very hard to convince people of things like that. In a state with 38 billion people, it takes a lot of graduation attendees to appreciate how important these schools are. When we graduate close to 100,000 baccalaureates a year, what if we weren't doing that? What if we weren't doing that? What if we weren't doing 50,000? Huge deal. That's a huge impact on employable people. San Jose State, where would they go for their engineers? So, no. The answer to your question is no, but we're always trying and we're always looking for new ways to communicate with people in a way that didn't sound like you were just saying all those things in order to get a few bucks more out of the legislature.

Now, the UC fundamentally is not financing its operations out of the General Fund anymore. UC Riverside may be percentage-wise doing that, but Berkeley, UCLA, San Diego—Merced probably is. Merced never should have happened. That's a whole other story. San Francisco, forget it. They're training docs, and people are going to pay for that.

So my view, just my view, University of California has become fundamentally a research institution, not every campus—I mentioned the exceptions, I think—and I don't know that California needs seven or eight public research institutions. It may be smart for us to turn three or four of those back into normally functioning four-year, get a baccalaureate degree, because we need to do that because we have poor kids that we're not serving and who don't meet the higher qualifications, but that's a whole

other fight that's going to go on. Whoever starts it, that one's going to go on for a while.

CASTANEDA: Do you think that'll get started?

HAUCK: It might. It might. I mean, you get resources squeezed down far enough and you don't add to the pot, and adding to the pot around here these days, that's a tall order and probably not for higher ed. I don't think we're going to change that too much.

CASTANEDA: What do you think about competition with the private schools, especially with the online education?

HAUCK: I think it's good. I think it's good. I think competition's good, in general. I think it makes people better, even though they grumble and bumble about it. I think in most instances that I've observed, at the end of that kind of process people grudgingly say, "Well, you were right about that. The competition fired us up. I didn't like it at the time. I still don't like it, actually, but it was good."

CASTANEDA: There was some positive.

HAUCK: There was some positive, exactly. I've seen that in the private sector. I've seen it in the public sector. People respond pretty well generally to competition. Leaders who inspire constructive competition are very important, very important in higher ed and in other areas of education. When you guarantee somebody a job for life, you're not going to have any competition.

CASTANEDA: No, it's true.

HAUCK: And the quality of the product that's delivered, it's going to vary all over the place. Probably, in most instances, it's going to be as good or better, but there are going to be exceptions to that.

CASTANEDA: It's logical.

HAUCK: It is logical. What else did you ask me?

CASTANEDA: From a policy standpoint, really, the private online universities, they've received a lot of attention. What role are they going to play with respect to the [unclear]?

HAUCK: I don't think we know the answer to that question yet. They're going to play a role, I don't doubt that. I don't think we have answers. I think we're starting. We're behind the curve. We're developing answers. I mean, I don't see how we can accommodate the demand without carefully doing a fair amount of that work. I mean, you can't deny 60,000, 70,000 applicants to Long Beach State without standing back, saying, "Holy shit, this can't last." I mean, we're not going to have people to send everybody to Bakersfield or Merced or Fresno or Monterey Bay or—

CASTANEDA: [unclear].

HAUCK: Yes.

CASTANEDA: So they're providing a role, basically.

HAUCK: Yes. I think we need to be careful because I think if we make some bad mistakes, that will set online education back rather than move it forward, and that's where I've picked a bone with the governor. I think he may be

pushing a little too hard, but it's not the wrong thing to be pushing people to at least discuss.

CASTANEDA: But I also mean like National University and Phoenix.

HAUCK: Oh, sure. I think they're great as competitors. I remember talking about competition when I was visiting in a campus many years ago, and particularly professors were looking at me saying, "What do you mean, competition? What do you mean? These people don't do what we do," and da, da, da, da, da, da.

I said, "Be careful. If they do what you do, they do it at times when students want and can participate. They're willing to pay for it. Don't forget that. They are going to be competitors, and you need to pay attention to that or you might be out of work." Well, they looked at me with horror, because being out of work and having a private university like that be even arguably competitive was a shock to 90-plus percent of the people. But it's turned out to be true and I think it will be positive in the end, but it wasn't to start with, it may not be as positive today as it needs to be, but they'll never take the place of the public university. They shouldn't. I wouldn't want them to. But there is a role for them, there's no question about it, and they're demonstrating it. I don't know what the quality differences are, I really don't. Somebody can evaluate that, but that's outside of my pay grade.

CASTANEDA: Okay. Well, probably we should stop for today.

[End of January 22, 2014 interview]

[Session 3, February 6, 2014]

CASTANEDA: We left off talking about some of your work with the CSU Board of Trustees, and I was thinking back on that and I was wondering if we could talk a little bit about how the structure of the Board of Trustees operates, technically or administratively how the board works, and the ways in which ideas are presented and policy matters are presented and that sort of thing.

HAUCK: Okay. Let's start with procedure, the structure. Basically the board is, as you know, the governing board of the system, the twenty-three campuses ranging from San Diego to Humboldt. The board itself is chaired by a member of the board elected from the board, and there's a vice chair who usually will keep the chairmanship for two years, and then the vice chair moves up. Now, that's not how it has to be, but it's the way it's worked.

The board itself functions with committees, and each year there is a Committee on Committees which chooses the membership, particularly the chairs of those committees. The chancellor is a member of the board. He's the CEO of the system, but he's not on committees, doesn't serve on committees. So that's the basic—the work of the board itself is really through the committees, and the key ones are Education Policy, Finance, Personnel, Faculty and Administrative Personnel, and salary

determinations of those people. Those are the basics of how the board functions.

Its other chief responsibility is the selection of new presidents or the selection of presidents on the campuses when a president resigns, just like the process the board went through to find a new president for Long Beach State here in the last four or five days. That's pretty much it. The most important, really, function of the board, I'd say, is in choosing a new chancellor and new president, and because I chair the Finance Committee, I'd say Finance, Audit, and University and Faculty Personnel, those are the important committees.

CASTANEDA: In looking at the membership, I know there's some ex-officio trustees and I'm wondering do they play much of a role. Do they attend board meetings like the governor or the lieutenant governor? Do they play much of a role on the board, or is it more just a connection to the state?

HAUCK: It depends on the time and the personnel. For the last twenty years or so, elected officers, statewide officers haven't played much of a role. In the last couple of years, starting with this governor, they're playing more of a role. The governor generally has not been involved, hasn't had time. The lieutenant governor has been a little more involved because he has time, and beyond that, the only legislator who's participated really is John Diaz. Of course, you know he's termed-out.

CASTANEDA: How about in terms of coordination among the three systems, the UC, the CSU, and the community college? Is that built into the structure of the board at all or is there much communication or coordination of policy?

HAUCK: No, it's not built into the structure. There's been communication from time to time, depending on the personnel. There was a formal structure, but it's gone because it wasn't permanent. I would say that the cooperation, structurally and otherwise, between Charlie Reed and UC was very good. At the moment you've got three almost new, although the community college chancellor is not new, but you've got three people now that are relatively new in their current roles, so it remains to be seen how they will cooperate or not cooperate. In my view, there's a need for it, and the Master Plan, in the past, there's actually been a structure supposedly for this, but I don't think it would ever work very well.

CASTANEDA: Do you recall how that old system worked or that old structure worked, and how it broke down? I'm just curious. I didn't know about that.

HAUCK: There was a Coordinating Council that I think grew out of the Master Plan. And why didn't it work? Well, because all three segments view themselves as importantly independent, and so it's natural that they would think they're the most important segment among the most important of the segments in California. So there's a more natural competitive atmosphere than there is a cooperative atmosphere among the three.

CASTANEDA: You've been chairman of the Finance Committee for many years. I imagine that's kind of challenging, especially with all of the budget situations we've had.

HAUCK: You're right about that. It's been challenging for really all of the management of all—well, of the CSU system and the community colleges. It's been challenging for UC, but they have more resources, more sources of resources than we do. We are basically dependent on two sources of revenue: one is General Fund, and, two, tuition, net tuition. UC has other sources of income, not that they don't use tuition, they do, but they're not as dependent on it as we are. We're at a point now where it's about 50-50, 50 percent appropriations from the legislature and 50 percent net tuition, which means we take off x percentage of the tuition and give it back to students. Once we do that, then we have a net number that comes from the General Fund and then we have to figure out how to make that work in relation to the demand being presented to the university.

CASTANEDA: Looking forward, how does the Board of Trustees balance the pressure to keep tuition low and also probably expecting to get less money from the state? I know that's the ongoing challenge, but do you have any thoughts on that looking forward? How is that going to be managed at the Board of Trustees level?

HAUCK: Very carefully. *[laughs]* It's true. We're never going to have enough resources, so current operations for making up expenditures that were not made going back years, expenditures that were not made because the

money wasn't there. So we're going to have to figure out what the highest priorities are for California, particularly when it comes to the workforce, and try to figure out if we can deploy our resources in a way that will assist with that without damaging other important programs. Not easy. All of this is in the context of you never have enough resources, but you have greater need than you have resources.

CASTANEDA: If I could ask you this, we can put it into a bigger context, but I know that the chancellor just gave us a State of the University speech, and he talked about different ways of budgeting, focusing less on enrollment and more on graduation rates and time to completion. It makes sense in a lot of ways. Can you talk about what brought about this new way of looking at budgeting?

HAUCK: I'm not so sure it's a new way entirely of looking at budgeting. I come at it another way. I think it's come about as a result of the demand for seats and a demand for workforce production to meet California's economic need or needs. I think it's more from that motivation than it is from any other, but I think it is recognized that CSU is kind of the workforce power for California. We're graduating close to 100,000 baccalaureates each year.

CASTANEDA: That's incredible.

HAUCK: Yes, pretty amazing, and we're doing it in a time when our operating budget and our capital budget is being not restored. It's been substantially reduced, but it's not being restored at the same level.

So, as you know, there are a lot of old buildings, for example, in the CSU system. We've got a water pipe that's rusty and breaks. We've got to fix it. We've got buildings that are fifty years old, that if we don't fix them, we're going to have to close them because there's a safety threat. If we can't find the resources to do that and we have to abandon buildings, it's harder and harder to take in the number of students that we need to take in order to provide the economy and the people of California with sufficient resources to continue to graduate 90 to 100,000 baccalaureates each year. If we don't do that, it's going to show up in our workforce. It already has. So that's a roundabout way to answer your question.

CASTANEDA: That's good. We had talked about this a little bit last time, but the CSU is such an important symbol, it's more than a symbol, of public education. That's what it provides. And yet there are all these private companies, I guess you could call them, or private educational institutions that are advertising. A lot of them are out of state, online courses, online degrees. Not that online isn't important, but do you see that as something that CSU is concerned about, all these other institutions that are trying to attract students?

HAUCK: Yes. The concern I see that's happening is it needs to happen, but we need to be careful that the quality of the coursework and of the education that's being provided by these folks is up to a standard that it needs to be. Again going back to workforce needs and workforce standards, it isn't going to do us any good to spend a lot of money on coursework, for example, if, in the

end, coursework that's being performed by these students and the teaching by the professors is not going to meet that need. In the end here, no matter how you do this, the question is does it get the job done, is the quality what it needs to be. I don't know what the answer to that is.

CASTANEDA: It's interesting. I don't know really either. We talked about this a little bit. We got into it a little bit last time on the topic of the Master Plan. There are occasionally attempts to modify it or change it. Do you see the Master Plan as something that could be adjusted, maybe, or is it a good blueprint for moving forward, considering all the other other changes going on in the economy and educational systems?

HAUCK: Well, individually, I'm not one who's high on the Master Plan. I understand the premise. The premise was to divide functions in the state, community college, CSU, and UC. I think it was driven more by the politics of education in California, driven more by the politics of higher education than anything else, and the politics, I think, at the time were that the University of California wanted to protect its turf. It was the strongest university system in the state at the time and so it created this Master Plan. The Master Plan sounded like a wonderful thing, but it was more about politics than it was anything else.

CASTANEDA: I imagine changing it in any way, as you said, that would be tough to do.

HAUCK: It changed. It didn't require a lot of formal action. So, yes, it's changed the role of all three segments, but not fundamentally between then and

now. I think the fundamental role remains the same. The emphasis that is there today might not have been there twenty years ago.

For example, we were involved in an effort a couple of years ago, a year or two ago, to create a community college transfer degree, and with a lot of work, we got it done. So if you want to attend a community college today in California, if you follow the requirements that are outlined for the community college transfer degree and you get a “C” average or better, you’re eligible to automatically—no discretion—you’re eligible to transfer to one of the CSU schools. Now, you might have a problem with their capacity to take you, but you can get taken. Never had that before. So what it does for them and for us is you get two years of general education, it certifies with every community college, even if you quibble with the courses that were taken for this purpose. If they were taken and they got C’s or better, it’s a done deal. You understand?

CASTANEDA: Right.

HAUCK: I think that’s a big step forward both for kids in terms of expectancy and in terms of efficiencies. So there are things that are different or changed, but I think they are in relation to just what happens to be—makes a lot of sense to me, anyway—happens to be important, so that when you get to a four-year school, you’re not backing up to take courses that should have been taken the first two years, provided you do that and get a decent grade.

CASTANEDA: That does sound like a form of, really, coordination and even cooperation, I guess, between the CSU and the community colleges to some extent, maybe.

HAUCK: Jack Scott and Charlie Reed really worked this out, so they were willing to cooperate with one another, I guess. Had a Charlie Reed or a Jack Scott resisted this, which happened previously—not with those two, but others, it got resisted and therefore it never got done, so this took leadership and also there were any number of other community colleges throughout the United States that were already doing this stuff. It just made sense.

CASTANEDA: Would you say that was one of the crowning achievements of Charles Reed's term as chancellor? I guess what I'm getting at is could you identify or address what some of the highest achievements were when Reed was chancellor and then maybe even looking at when Munitz was chancellor.

HAUCK: It was more when Reed was the chancellor. When Munitz was chancellor, people weren't ready for these things. There wasn't a perceived, really, crisis. I think it was coming, but it wasn't quite yet there. I think during Reed's tenure, because of the financial situation, the need to do these things for the [unclear] kids, but also from the standpoint of financial capacity, there was no question that we were faced with a whole range of crises, which I'm going to date back to the beginnings, the passage of Prop 13 and profligate spending and the desire to achieve greater production of baccalaureate degrees because of the need in the workforce.

If you tie the—let's take the key propositions that have passed, they really all begin with 1978, with the passage of Prop 13, and since then there have been numerous ballot measures, for the most part specific and guided objectives when it comes to education spending, Prop 98 being the best example. So if you have all these propositions in addition to what is spent on K-12 education, plus community colleges, they've got a leg in higher ed and a leg in community colleges, I would argue, and I have argued, unsuccessfully, that they've got to be either one or the other, but they keep legs in both places because they get money from both places. But since the passage of Prop 13, Prop 98, and then a whole series of other countermeasures have constrained the discretionary spending by each segment, and the more constraint there's been, the worse it is for the CSU, which has no designated or constraining measure.

The CSU has not tried to, nor have they passed, for example, a ballot measure that guarantees them [unclear] from the General Fund, but other segments have, and the result of that has been, in one way or another, a reduction in discretion on General Fund spending. And when you do that, you have to look at who is impacted. Well, the entities that are impacted in that situation are entities like the CSU, which has no constitutional spending guarantee that it can rely on.

CASTANEDA: That's interesting. Can you imagine or even would it be feasible to try to get some kind of designated spending item in the budget? Would you think that would even be possible or is it something that is really needed?

HAUCK: Well, it's a hard question. I'd argue that what we ought to be doing is going the other direction, not to the point where we're tying up every aspect of the General Fund. If we do that, why do we need a legislature, for that matter? I'd argue that we ought to be going in the direction of taking these constraints away and leaving the legislature with the role that they're supposed to play, which is to look at spending each year and figure out what's required in a particular year without tremendously hurting other important programs.

In speeches I've said many times and I say it going forward, California state government and budget is always going to be in a position where its resources in relation to its needs are scarce, and that's why you need a functional legislature because they need to make good, sensible discretionary decisions each year, in terms of allocating resources, because we'll never have sufficient resources to meet every need.

We we didn't have that kind of good decision-making, especially during the economic crisis, prior to that, because we were in financial trouble prior to the great recession. We didn't get there without people exercising bad judgment, poor judgment that benefitted them only. When you do that, you're pushing other needy functions of state government, slowly pushing them into a corner if they can't find some other source of revenue. And, as you know, whenever you talk about raising fees or tuition, there's a lot of screaming, not rational, mostly, but a lot of screaming because it's an easy target.

CASTANEDA: And as you said, I guess it's more than challenging and the CSU is sort of in between the community college system that has some designated funding than the UC that has more access to resources.

HAUCK: Right. You see it's become largely an upper-division and research university, and there's money for them because, of course, specific research that they do that produces commercial products and people who know how to develop commercial products. We don't do as much of that in the CSU. We're producing people who are engineers out of San Jose State who work in Silicon Valley, or we produce dieticians or we produce physical therapists or we produce accountants or—go down the list.

CASTANEDA: So the CSU produces the skilled workers who are going to go into industry. Do you think there's ever going to be a role for the kind of research that brings money into the CSU?

HAUCK: We raise 250 to 350 million a year in outside money, but mostly it's dedicated to specific functions that people want to give money for. So in the sense of your question, we'll never raise enough money, not in the foreseeable future, we'll never get enough money that we can look to it as to where it can go in the General Fund for CSU. Most of that money that's raised is given by individuals and organizations who designate what they want done with the money, so you really don't have the freedom to do what you're describing.

CASTANEDA: Was there anything else on the CSU that you'd like to talk about, any observations or anything you've been involved with? We could come back

to it later, too, but I wanted to ask you if there's anything we haven't really touched on that you'd like to address.

HAUCK: I don't think so. I just want to emphasize the importance of the CSU system in relation to California's workforce, its economy, and its productivity, because without it or without a good portion of it, there'd be significant detriment to the state's employment situation, which we can't afford. We've got to continue to produce people, not only because of the workforce, but because of their own quality of life.

I don't know if I gave you this example the last time we were talking. I was at the graduation at Channel Island, and we always have a platform party that walks in. Usually there are people on the right and the left standing there outside the ropes. I was walking along the ropes, and every single person said to me, "Thank you for educating my son," or my daughter. These were 90 percent Hispanic people, who clearly could see the importance of their sons and daughters achieving a college degree from the standpoint of their own futures and the future of the California economy.

Without the CSU system, that wouldn't be happening. UC would not be doing that, and the community colleges are not chartered to do that, so it's crucial that we are filling the need at that level. People say we don't do it fast enough. They say we should be able to graduate people quicker and so on. To me, that's not—maybe we should be able to do that. I don't know. When you look at the profile of our students, lots of them have a

job or two jobs, lots of them have one or two children, they have a couple of jobs, and so you don't graduate when you're in a situation like that, but that's no reason to give up on these people. We've got to stay with them because it's important for them and it's important for California's future.

CASTANEDA: So I'm looking at this list, the list of topics that you had sent. I don't think we really talked about collective bargaining. You said you were interested in talking about collective bargaining and its impact on the civil service system and that sort of thing.

HAUCK: Yes, let's talk about that a little. California has obviously a tradition of collective bargaining. I'm okay with collective bargaining, but in California at the state level, because of legislation carried by the current Governor Brown, not only do we have collective bargaining, we also have a civil service system that was there first, and I think the two together are stifling rather than providing incentives.

I'm also of the school that says that the state executives that I've worked with over the years, the quality of those people is very high. Contrary to the criticisms that state so-called bureaucrats get, I've found career state executives to be quite smart and quite good at what they do and not deserving of the kind of criticism that they tend to get from people just offhand, of course without any real knowledge of how those people are performing.

One or the other, a good civil service system or a good collective bargaining system, is the right thing to do, not two things, because what

you do, you really stifle people's creativity. You stifle people's incentives to be effective managers. Not only do you stifle them, in a lot of cases you just prevent them and you prevent them from getting rid of people who need to be gotten rid of. There's no ability to distinguish bad—not bad, but very poor performance from very good performance.

So I think that we already had a good civil service system. That was not true years ago in many states. But then we added on top of that a collective bargaining system and didn't change anything really about the civil service system. The result, if you get [unclear] tenure someplace, the chances of anybody getting rid of you if you're not performing are slim and none. That's really tough for a big, big organization like the state of California, but especially in times when resources that were more plentiful in the past are being reduced, reduced, reduced, reduced. I think that's the heart of it. Teachers, if they teach successfully for two years, I think it is, they have tenure. Try to fire a teacher who has tenure.

CASTANEDA: So I guess one way to address that is have performance reviews and assessment, whether it's teachers or whatever kind of employee it is. Do you see a move in that direction? I know it's discussed a lot, but unions try to oppose that.

HAUCK: I see the direction going the other way, especially since the strength of the unions in California is more public union membership rather than private union membership. That's probably not atypical of what's happening in other states, but union growth, I think, if you track it, has been, in the last

five, eight years, anyway, predominantly in the public arena, not on the private side.

When I was running the Business Roundtable, we got along pretty well with the people in private unions. There were cases certainly in the public union arena where we didn't, not all cases, but cases where we didn't get along with folks that were predominantly representing public unions. So you have to distinguish between those two, the public unions and the private unions, and the growth in unions in California has been clearly on the public side, not on the private side.

I don't know what the right things are to do when it comes to reconciling. The private side, I think, is important, versus the public side. It's going to take some time and some real political leadership to accomplish. I hope it gets accomplished, but I don't see it at the moment.

CASTANEDA: You mentioned the Business Roundtable. That isn't something we've talked about. Could you talk about how you got involved in the Business Roundtable and then some of your work with that?

HAUCK: Sure. I got recruited by some business folks to get involved in it at a time when they thought they needed some leadership that was relatively moderate and leaning clearly toward the business side of things, to do some of these things that we're talking about, not necessarily out in public too much, but behind the scenes, to try to accomplish goals that otherwise don't get accomplished once you go public with them, because then people get locked into positions publicly that they might not take if those positions

were held back until they were structured better through some agreement on, let's say, both sides of an issue that you could then go public with and say, "Here's problem *x*. We've been talking about this informally. We think we can come to an agreement. We're going to hold a hearing on Friday." You go to the hearing on Friday and, of course, if you've been involved in working on one of these things, you know it's going to happen or it's not going to happen. If it isn't going to happen, you don't do the hearing, and if it is going to happen, you do.

So I've been involved in, over the years, many things like that that either did come to fruition or it didn't because, in the end, we couldn't get agreement on one or two or three crucial issues. To me, that's what real legislating is all about and is important to do.

CASTANEDA: When did you start with the Business Roundtable?

HAUCK: I'd have to go back. I was there eleven or twelve years. Left three years ago.

CASTANEDA: Could you talk a little bit again about the structure of the Business Roundtable and how it operates?

HAUCK: Not too different from what I was describing earlier. They have a chairman and a vice chairman elected by the members. In order to be a member of the Roundtable, you need to be a CEO or a senior operating officer, not government relations person, in these companies. And then the Business Roundtable, as distinguished to some extent from the Chamber, was primarily focused on economic development, on improving K-12

education, because ultimately that's where your workforce is coming from, and on other issues, education and other issues, that were clearly important to grow the economy.

Because the Chamber was performing that role, we weren't as focused on the day-to-day anti-business legislation that was being introduced by a predominantly Democratic legislature. So by cooperating with the Chamber, we really got both bases covered, if you will. We weren't primarily focused on the job-killer legislation. We were focused more on the longer-term benefits from things like a better education system, getting a governor [unclear] to pass and to veto legislation that would be helpful to K-12 and community colleges in their roles. Does that make sense?

CASTANEDA: Yes. One issue we read about in the paper all the time, less so today, I guess, but businesses moving out of California because of high taxes or various kinds of regulations and that sort of thing. That would, I guess, fall into the category of the job-killer issues. Was that something that you would also work on, that the Business Roundtable would work on?

HAUCK: Yes. Those are somewhat overblown, not entirely, but somewhat, somewhat overblown. Statements that are made to get people to pay a little more attention to the impact of legislation, that it's going to make it harder and harder to do business, but neither our membership nor the Chamber membership, for example, wants to walk away from legitimate environmental regulations. You don't want to walk away from legitimate

business restraints, because if you do, first, the quality of life for everyone suffers, and, second, if you're doing that, businesses are going to leave California for that reason, if not for some other reason. So you have to be careful about using statements about California losing employment, employers unless you can really document it. If the Chamber has a list of, let's say, ten to twelve so-called job-killers and you can't get the governor to veto either all or most of them, that's a problem. This governor has, to his credit, vetoed most of what we would call job-killing legislation.

So people use these things without adequately, often they do, without adequately documenting what they're saying. I think that the Chamber and the Roundtable in California are constructive organizations who understand that you've got to be vigilant, but you can't kill every single bill that someone would argue is anti-business. It's just not going to happen. Nor can you kill every single bill that might be labeled environmentally friendly. That doesn't work either, and it probably shouldn't in either case.

CASTANEDA: I notice you were also involved with a group called California Forward. Were they related to the Business Roundtable? Does that overlap at all?

HAUCK: No, California Forward is a separate entity [unclear] by the large foundations in the state who made a commitment about six or seven years ago now to improving the quality of governmental decision-making in the state and put up millions and are still putting up money in support of that general objectives.

Now, I'm still part of it, although I'm not able to go to their meetings these days because of the problem I have. At the same time, I think it's a very important organization and it's to the great credit of the foundations like Hewlett and Packard and the Irvine Foundation, who have contributed to the effort that's ongoing, and I think there's been quite a bit accomplished there. They lost a ballot measure, but there are any number of other things that have been accomplished that are kind of below the radar that are as important or maybe, in some cases, even more important than the high-profile measures that get proposed.

Also, as you would expect, there have been politics involved on both the Democratic and Republican side, the unions, non-union side, financial side and the non-financial side, the for-profit and not-for-profit side. So I do think there's been some real benefits. Some of the benefits have been below the radar and, therefore, haven't gotten the kind of media attention that other issues would otherwise get. So I've been very involved, or I had been until I encountered the problem that I have.

CASTANEDA: What was the ballot measure you referred to? I'm not sure which one that was. I guess that was one of the more high-profile efforts.

HAUCK: Well, I think the way to approach that is to back up from 1978 with the passage of Prop 13 and then go forward, looking at other measures that passed, quite a few of them, and what areas they were passed and what their objective was and what their impact has been. Prop 13 certainly is the best known of those measures, but so is Prop 98, for example, which

guaranteed K-14 schools practically half the General Fund budget. Some years, it's more than half the General Fund budget.

It's really more a question of California governing with a blunt instrument. That's what initiatives are. They're blunt instruments, Prop 13 being the best example. It was like a one- or two-sentence measure that just cut property taxes in half. Well, property taxes may have been abused—I think they were—but also California, especially local government, was reliant to the extent of 50 percent of local budgets on local property taxes that Prop 13 cut by 50 percent.

So this whole area of the impact of ballot measures that affect both state and local government is one you could spend an awful lot of time on. It's very important, there's no question about it, but for us, overall, it is definitely an area that the more of those measures that have passed, the less discretion local governments have had on how they spend their money, as well as big government.

Now it's even more difficult because we've seen kind of a rash of irresponsible local spending, especially on [unclear], although I think that the media overdoes that issue. Out of, I don't know, probably close to a thousand or probably more than a thousand local governmental jurisdictions in California, there are only a very few [unclear], Southern California, that have gone way, way, way overboard in a way that [unclear] and they deserve to be tried and convicted and sent to jail.

We have over a thousand school districts alone, plus probably six or seven hundred local incorporated jurisdictions. Then we have fire districts and all kinds of other governmental entities. It's over two thousand, and we don't hear about any trouble from more than how many? Pick a number.

CASTANEDA: Just a handful.

HAUCK: A handful of [unclear]. Exactly right. So that's a subject that is dear to my heart, but it takes a lot of effort to get into it.

CASTANEDA: Well, maybe for today there's a couple of other non-public positions that you'd put on the list of topics, and maybe we could just go through those quickly. You're on the Board of Directors of Blue Shield and then you also mentioned the Board Campaign for College Opportunity.

HAUCK: Campaign for College Opportunity, that one is consistent with the education work that I've done. That one worked hard and effectively in relation to California higher education, particularly public and community college higher education. That was the organization, that was the entity, or is, that pushed and successfully passed the community college transfer degree. A woman by the name of Michelle Siqueiros is the executive director of the Campaign for College Opportunity. They're based in Los Angeles and do very good work.

What was the other one?

CASTANEDA: Blue Shield.

- HAUCK: Shield is totally separate from all of the public service that I'm talking about. I was invited to be a candidate for the board. It's a nonprofit, and I accepted the invitation. They elected me, and I'm serving, at the moment, my tenth year. It is a nonprofit entity. Blue Cross is a for-profit entity. Shield is big, but it is a nonprofit entity, and it's not funded, obviously, governmentally.
- CASTANEDA: Interesting. You also mentioned or you on your list the Bob Moretti Memorial Scholarship Committee. So I know that's a little different, too, but how did you get involved with that?
- HAUCK: Well, I worked for Moretti. I was Moretti's chief of staff. He died of a heart attack at age forty-eight, and along the way we put this golf tournament together, which is largely what the Foundation does. His son now runs it, Matt Moretti, who is a lobbyist. I think this year will be the twenty-eighth or twenty-ninth year of doing this tournament, and we're now raising a net about 100,000 a year.
- CASTANEDA: Wow.
- HAUCK: Virtually all that money is going to young people who are sons and daughters of [unclear] folks who work in the Capitol, around the Capitol, in district offices in California.
- CASTANEDA: That's great.
- HAUCK: These are kids that otherwise, through their parents, would not have the resources to go to college.
- CASTANEDA: So it's for children of parents who work in state government, generally?

- HAUCK: In and around the Capitol, some district offices. You had to have some relationship with legislative work, not just general government.
- CASTANEDA: That's great.
- HAUCK: [unclear] golf tournament that I'm aware of.
- CASTANEDA: Really? Nice. I'm sure he'd be very proud of that.
- HAUCK: I'm sure he would. I'm sure he would be. He should be proud of it. He should be proud of his son, who has kind of taken it over. His son was able to go to Notre Dame as a result of one of these scholarships.
- CASTANEDA: Oh, wow. That's very nice.
- HAUCK: That's where Bob graduated from. His son's name is Matt. He works for AT&T as a lobbyist.
- CASTANEDA: We've gone through so many topics, it's remarkable to me how you've had many different positions, been involved with a lot of different organizations, but they all come back to really just state service, in a lot of ways, to public service. When you're looking back over all those different experiences, it seems like they have a lot of things in common, from education to finance, to trying to figure out how to get the government to run better. It's an interesting perspective you've had.
- HAUCK: That's true. It's only taken forty-some years, and we haven't even covered probably, I don't know, a third of it. Where do we go from here?
- CASTANEDA: I thought we could get your perspective, looking back on what we've covered so far, and then we can identify some other topics to talk about. I'm in the process of getting some of these recordings transcribed, and then

we can look over them and see what areas that we should talk more about too.

HAUCK: Okay. That's fair enough. I think I'd say that, in general, where I've tried to devote my time is in any aspect of state government where I thought if we achieved even a few of the objectives, they would be significant achievements, which means that while we were aiming high, doing so was going to cut down on your predictability for success, but it seemed to me, and it still seems to me, that if you're going to spend the time, you should spend it not unrealistically, but also not trying to achieve objectives that are too low or too easy to accomplish.

You want to go after things, in a state like this, that are ambitious but doable, and are important to economic growth, to students, to governmental functioning, to objectives that people would agree are important to try to achieve in the course of human events, put it that way. So that's kind of the criteria that I've always applied. I haven't applied partisan criteria. I'm not partisan. One day I can favor a Democratic proposal and the next day I can favor a Republican proposal, which I think reflects more Californians than people seem to remember. Every single office in this state is a nonpartisan office, except the legislature and the [unclear] officers. All of our local elections are nonpartisan. So if you count the number of elections that are held in the state every couple of years that are not partisan against the ones that are, the ones that are partisan are an infinitesimal number.

So you have people seeking office in this state who seek office for the reasons people seek office, private reasons, but overall, they're not doing it for partisan reasons, necessarily. They're doing it because they're interested in having California work better. I think a lot of the frustration of the last five, six, seven years has come out of the recession, but it was there before the recession, but somehow we got ourselves, both in California and elsewhere, into more partisan positions that were not getting us anywhere in terms of solutions at the state level or at the federal level. That's why we had a kind of gridlock and then we had outright what I think was outrageous, outright agreements, for example, to keep legislative districts safe for ten years, and that's what happened. I mean, the two parties made a deal. You keep your districts, we'll keep ours and everything will be wonderful. Well, it was for them, but it wasn't for anybody else.

CASTANEDA: Thinking back to when you were talking about being the student representative on the CSU Board of Trustees, I'm wondering if, when you are doing that, if you were looking ahead, could you have imagined that you would have been involved in so many different aspects of public policy and educational reform and finance?

HAUCK: No. No, I couldn't imagine. It just took a lot of years to be able to do it, put it that way. I guess as I stood back, we probably lost more than we won, but when we won, it was worth the effort.

CASTANEDA: We can both think about some other topics, but for now, is there anything else? Because we don't have a whole lot more time today. But are there any other topics that you want to bring up today?

HAUCK: No, I think we've done what we can today. I just wanted to make sure that when I called you that we got started again with this. So I think another one or two sessions we can evaluate whether you've got enough, whether we've done enough, whether we've covered enough. So, yes, that sounds like the right way to go forward, to me, at least.

CASTANEDA: Thanks very much and I'll be in touch.

[End of February 6, 2014 interview]

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