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University History Series

Jay Michael

VICE PRESIDENT OF THE UNIVERSITY OF CALIFORNIA, AND CHIEF SACRAMENTO LOBBYIST

DIRECTOR, OFFICE OF STATE GOVERNMENTAL RELATIONS, 1966-1976

Interviews conducted by
Neil Henry
in 2013

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Jay Michael, 2012

Jay Michael was Vice President of the University of California, and chief lobbyist in Sacramento. He was Director of the Office of State Governmental Relations from 1966 to 1976.

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Introduction by Neil Henry

Jay Michael left city management in Claremont, CA. to become the University of California's representative and chief lobbyist in Sacramento in 1966. The man who hired him, University President Clark Kerr, was fired from his post shortly after Michael took up his position, but Michael stayed on the job through the next decade under President Charles Hitch and through the gubernatorial administration of Ronald Reagan, before leaving to become chief lobbyist for the California Medical Foundation.

In this oral history Michael reflects on his early education and happy Mennonite childhood in California, the seminal influences that led him to a career in public administration, and the challenges he faced in the turbulent 1960s and 1970s protecting the mission, independence, and finances of the University of California. At that time the University was under fierce attack from many different corners, including from Governor Reagan. Michael explains how he built a grassroots coalition known as the "key contact system" of University supporters throughout the state, and the day to day work lobbyists do in cobbling together political backers and legislative support in the capital for their various causes and interests. He also recounts humorous experiences he had working with many storied leaders in Sacramento from Jesse Unruh and Willie Brown to Reagan.

What comes through most clearly in this interview, which was conducted over three sessions in Michael's home in the Sacramento suburb of Carmichael, CA, is Michael's passion and idealism, and his unwavering belief in the University of California as an engine for human betterment.

Neil Henry
Berkeley, California, January 2014

Interview #1 November 7, 2013
Audio File 1

01-00:00:06

Henry: Today is Thursday, November 7, and I'm sitting in the home of Jay Michael, longtime Sacramento lobbyist, who served as vice president of the University of California during the tumultuous 1960s and 1970s, and successfully deflected major assaults on UC autonomy and financial support. He also helped form the Southern California Association of Governments and the Los Angeles Metropolitan Transit Authority. He left the University of California in 1976 and represented physicians and healthcare interests for twenty-four years until his retirement in 2000. My name is Neil Henry. This is the first of several conversations I will be having with Mr. Michael about his life and times. Let's start at the beginning. Where were you born and raised?

01-00:00:49

Michael: I was born in Great Bend, Kansas, or just outside of it, in my Aunt Minnie's house. My Aunt Minnie was an RN, as was my mother. I was midwifed into the world in 1932, on the plains of Kansas, just outside of Pawnee Rock.

01-00:01:11

Henry: So it was a farming community?

01-00:01:13

Michael: Wheat farming. Mennonite. All my family were Mennonites. They were good farmers. They all farmed wheat.

01-00:01:25

Henry: Where was the nearest city? How far away?

01-00:01:27

Michael: Great Bend was about ten miles away. Pawnee Rock was a couple miles.

01-00:01:38

Henry: Was your father a farmer?

01-00:01:40

Michael: My father was a farmer. He went broke farming in the Depression, as did tens of thousands of wheat farmers. It wasn't just the profession, or the recession, or the Depression, that did him in. It was dust storms, and a number of factors led into it, but he always felt very sad, bad about that, going bankrupt.

01-00:02:17

Henry: Did you have siblings?

01-00:02:20

Michael: Had one brother and two sisters. My brother was a career army man. Died in Vietnam in 1968. He was a lieutenant colonel. A very beautiful guy. I never quite got over losing him. My sister, my oldest sister, older sister, is Marceline Freeman. She, until very recently, lived in Atherton, in the Bay Area, and now

lives in Campbell, in a retirement home called Forum. She was an English teacher. She was the first college graduate in our family. She graduated from Berkeley in 1953. My younger sister married a logger, right out of high school. She became a nurse, going to community college in Redding. I was, most of my life, raised just outside of Redding, on an apple and cattle farm, in an area that's every bit as remote as anyplace in Appalachia. The only real industry—well, there are two industries. Farming—none of the farmers were really very wealthy—and logging. My brother-in-law was a tree faller, and died as a result of falling a tree on himself. My two sisters are still alive.

01-00:04:36

Henry: The oldest one, who graduated from Cal, did she have a career? Did she go to work?

01-00:04:40

Michael: Yes, she did. She was an English teacher. Her first teaching job was in Montreal. Her husband went to medical school in—not McGeorge.

01-00:05:00

Henry: McGill?

01-00:05:00

Michael: McGill. And became a pathologist. He did his residency in UCSF and was a very successful pathologist. She also taught in Redwood City for a while, after her husband graduated from medical school.

01-00:05:28

Henry: The death of your brother was pretty traumatic for you. How did you find out about it, and what do you know about the details of his death in Vietnam?

01-00:05:36

Michael: He was military advisor to the state of Da Lat, which is a northernmost province in South Vietnam. He believed that he knew where a North Vietnamese army attack was going to take place, and he took a company of South Vietnamese soldiers into that area, with the intent of ambushing the North Vietnamese army. Someone from the inside informed the North Vietnamese army of their maneuver, and they were there first to ambush the incoming Vietnamese company. Died in a fire fight. Was awarded the Bronze and Silver Star, Purple Heart. But he died in the fire fight.

01-00:06:50

Henry: Evidently, you were pretty close to him.

01-00:06:52

Michael: Very close. He was my older brother. You'd never know looking at me now, but I was a little skinny guy as a child, and he protected me. He was my protector and best friend, and I miss him very much.

01-00:07:14

Henry: Your father, after the failure of the wheat farm in Kansas, moved to California?

01-00:07:20

Michael: He moved to California in 1934.

01-00:07:22

Henry: How old were you then?

01-00:07:24

Michael: Two years old.

01-00:07:25

Henry: Two years. So you don't remember Kansas?

01-00:07:27

Michael: Well, I remember it, like going back there and visiting relatives, but not when I left, no. He came to California and went to work for MGM Studios as a prop man. After that, he worked for Douglas Aircraft during the war. He was the assistant plant engineer. They maintained the plant and repaired equipment.

01-00:08:05

Henry: What was your childhood like? Was it a happy one?

01-00:08:07

Michael: Very happy childhood. We grew up believing that we were very fortunate. In fact, we were really not affluent at all. We lived on a subsistence-type farm after we moved.

01-00:08:36

Henry: How old were you when you moved from Southern California to Redding?

01-00:08:38

Michael: I was eleven years old, and spent my most formative years in a little community called Round Mountain. It was near Montgomery Creek, which is another little community. We raised apples and ran cattle. Those were our money crops, although we never really had very much income. But we didn't want for anything.

01-00:09:09

Henry: Your parents' marriage, was it a happy one?

01-00:09:12

Michael: Very happy. They were married until my father died at seventy-four. He was a heavy smoker, and he died of lung cancer. My mother died—she was eighty-seven when she died, quite a few years later.

01-00:09:35

Henry: Did you participate in any extracurricular activities as a child? Did you play sports, baseball, football, or join Scouting or anything like that?

01-00:09:46

Michael:

I really couldn't play competitive sports, because it was thirty-five miles from the high school I went to to home. I had to take a bus, and all the sports activities, you had to stay after school and practice, work out. I did go out for track one year and was moderately successful as a runner and a shot putter, but never very spectacular. I was in every school play. Won the Shakespearean contest three times, as a sophomore, junior, and senior. Held elective office every year that I was in high school. Really enjoyed school. I was a poor student. I did graduate valedictorian from the eighth grade, because I was the only kid in the eighth grade.

01-00:11:03

Henry:

Congratulations. [laughter]

01-00:11:06

Michael:

But I didn't study. I had very poor study habits in high school, and was not qualified to be admitted to UC. I went to Sacramento Junior College, now Sacramento City College, and was there for a year and a half. Ran out of money. I didn't receive any financial help from anybody. So I went to Alaska and worked for a couple of years in the oil fields. We were looking for oil. It wasn't an oil field at the time. Found a whole lot of oil, incidentally. When the minimum wage in California was seventy-five cents an hour, I was getting \$4.75 in Alaska. That was for the first forty hours. The next twenty hours was time and a half, and anything over sixty hours was double time.

01-00:12:23

Henry:

A week?

01-00:12:24

Michael:

A week. I never worked less than sixty hours a week.

01-00:12:31

Henry:

Was this manual labor you were doing, or was it—

01-00:12:33

Michael:

It was all scut work. I was called a jug hustler, on a seismograph crew. Little generators you set out along a shoot line. I was also a cat skinner. In the wintertime, drove a tractor with eight or ten sleds behind the tractor and went up frozen rivers, and cached fuel, dynamite, and other supplies that would be used later in oil exploration.

01-00:13:16

Henry:

So you set it up there in advance of the following crew?

01-00:13:20

Michael:

Correct. So I came back with several thousand dollars, which, at that time, 1952, '53, was quite a lot of money. You could actually pay your way, if you worked a little bit, pay your way through school. I then went to Chico State, enrolled in Chico State, and became a pretty good student at Chico State. After a year and a half at Chico State, transferred to Cal and got a

baccalaureate in 1956. Married my wife. She was a Chico student, and she got her teaching credential in 1954. We moved from Chico to the Bay Area, Walnut Creek, where she taught school, when I went to finish my work at Cal. That was very satisfactory. We lived what we thought was a very good life. Looking back on it, we didn't have much money, but we enjoyed every bit of it.

01-00:14:50

Henry: How did you meet your wife?

01-00:14:52

Michael: She was homecoming queen.

01-00:14:56

Henry: At Chico State?

01-00:14:57

Michael: At Chico State. She had just broken up with a boyfriend and didn't have a date. A mutual friend arranged for me to take her to the homecoming dance, and we were very much attracted to one another, and married about a year and a half later.

01-00:15:27

Henry: That's great. So you moved to Walnut Creek and you got your degree at Cal. What was your major, and did you have any particular subjects that you excelled in? That you were interested in, that drew passion.

01-00:15:42

Michael: Yes. I started out a life sciences major, and took political science courses because the subject interested me, and discovered that I was more interested in the social sciences than I was the hard sciences. I was a pretty fair student in the hard sciences. I think I probably could have gotten into medical school and become a doctor, but that didn't appeal to me much. I had an internship in the city of Chico, in the city manager's office, one summer. That fascinated me. I wanted to become a city manager, and took political science courses at Cal, and I think probably excelled in those courses more than any others. I didn't do well in statistics, but just about everything else were As and Bs, and got better grades every quarter that I was there. I finished as a pretty fair student. I enjoyed one course by Eugene Burdick, who was an author, at the time, of fiction. He wrote a book called *The Ninth Wave* and a couple of other fiction books. They were very popular bestsellers. And Albert Liposky, who taught a course in administration, public administration. I enjoyed that. I became his research assistant in my senior year and enjoyed that very much. Then I graduated with a baccalaureate in 1956. My first job was as an administrative assistant in the city manager's office, in San Leandro. A professor named Eugene C. Lee, who was then vice president for—vice chancellor, I guess—for Clark Kerr. He got me an interview with the city of San Leandro for that first job. Gene Lee was a counselor and a professor and a friend for fifty years.

01-00:19:17

Henry: You met him as a student of his?

01-00:19:19

Michael:

He was a student and was working on his doctoral studies, his doctorate. His dissertation was the politics of nonpartisanship, which was a study on the effectiveness of nonpartisan politics in local government. He researched five cities in depth, one of which was Chico. I was an unpaid intern in Chico's city hall at the time, and he came in. He didn't have a place to stay, he and his wife. It was in the summertime, and a lot of people on vacation, and all the hotels and motels were filled. Asked if I could help him find a place to stay. So I called around at some out-of-the-way motels, thinking there must be something, someplace with a room. No place had a room. So I invited them to stay at our house, which was a basement apartment. In those days, there was no air conditioning. That was a wonderful apartment, because it stayed cool. They were going to be there for a week doing this research. The day after they arrived, he came down with the worst case of poison oak I have ever seen. He had poison oak between his toes and on top of his head, and every place in between. He laid in bed for all week, weeping from the poison oak. His wife, Jane, did the work at city hall, researching what they needed. They had done it before together, in Fresno, I think, was their first city they researched.

Anyway, about the time she was through with the research, he got better. I remember the last night. Jane was always very much involved in partisan politics. She was a Democrat. He was involved in the campaign at the time, gubernatorial campaign, in which Richard Graves was running against Goodwin Knight for governor. He and Don Bradley were very close friends, and Don Bradley was a campaign manager. At that time, he was campaign manager for Pat Brown. No, no, not Pat Brown. Dick Graves. Graves lost the race, but Don Bradley showed up at our house at about, oh, nine o'clock in the evening, and we had a half gallon of Early Times bourbon, which he brought. He and Gene and I stayed up until five o'clock in the morning, talking politics, whereupon Bradley, who was barely able to get out the door, got in his car and went to Redding, where Graves had a campaign fundraiser at eight o'clock. That was my introduction to partisan politics, which I thought was very interesting.

01-00:23:32

Henry: And your introduction to Gene Lee, who became a lifelong friend and colleague.

01-00:23:36

Michael: And Gene Lee, who was—

01-00:23:37

Henry: And mentor.

01-00:23:39

Michael: A mentor and a wonderful man.

01-00:23:42

Henry: That's fantastic. I wanted to go back to your childhood. Were you brought up in a religion or spiritual faith, and has it carried through you through your rest of your life?

01-00:23:59

Michael: Qualified, yes. As I mentioned earlier, my ancestors are all Mennonites, going back as long as we know. Mennonites are not overt about their religion, really. They pretty much keep to themselves.

01-00:24:29

Henry: Pretty discreet.

01-00:24:33

Michael: Their main principle is moderation in all things. It's okay to dance, whereas some religions, it's not good. Some kinds of dancing are frowned upon. It's okay to drink, but not much, and so on. Mennonites will not be judges. They say only God judges. They're pacifists, which is ironic, because my brother was a career army man, died as a military man. All of us were raised on religious principles and values. I'm not a churchgoer, but I quietly pray, for no other reason, to get my own priorities in order. Yes, I'm a believer, somewhat. I can't swallow all the miracles. Basically, I think religious values are important in forming the base of a person's life.

01-00:26:19

Henry: Is your wife a Mennonite?

01-00:26:21

Michael: No, she's a Presbyterian.

01-00:26:23

Henry: So your children—your three children, correct? What were they raised?

01-00:26:27

Michael: Yeah, three children. We did not go to church as a family. We went to church on Easter, and we went two, three times a year. They were not raised as faithful, but they're all aware of religious values, and I think practice them, even though my youngest son, Matthew, who's a graduate of Berkeley, says he's an atheist, and I think he is. Certainly an agnostic. My daughter, she rarely goes to church. My oldest son is an Episcopalian, and his family goes to church fairly regularly, and they were all educated in K through twelve in religious schools.

01-00:27:49

Henry: Religious schools. His children are raised in religious schools?

01-00:27:53

Michael: Yeah. The best schools in this county are religious schools. Saint Michael's Elementary School and Jesuit High School.

01-00:28:09

Henry: I see. Getting back to your schooling and your transition to your work, you went to graduate school and you got your degree in what?

01-00:28:20

Michael: In public administration from UCLA.

01-00:28:24

Henry: UCLA. So you went south.

01-00:28:26

Michael: Yeah. After my job in San Leandro as an administrative assistant, I was appointed assistant director of League of California Cities, with the understanding that I would understudy the assistant director in the LA office for a year, and then become in charge of the Los Angeles office of the league, even though I would come to Sacramento during legislative sessions. In those days, the legislature met every other year for six months, so it was fairly easy to do that as a family man. I was assistant director of the League of Cities for eight years, plus or minus a little. I became a fair lobbyist with the League of Cities. Cities had no political resources. We didn't make campaign contributions, but we had a terrific grassroots organization, because every city in the state was a member of the League of Cities. It's a political fact that mayors and city councilmen are generally better-known by the electorate than their assemblymen or state senator, and so the fact that local government officials were more popular than state officials gave us some political clout. We used that to advantage. That was my first experience lobbying.

01-00:30:52

Henry: What was that experience like? What was your learning curve?

01-00:31:00

Michael: After a year of lobbying, understudying a man named Lewis Keller, who was a general counsel for the League of Cities—wonderful guy. Richard Carpenter was the CEO, the executive director. They were both lobbyists for the league, as was I. After the first year, I was given a bill to try to lobby through the legislature. It would have done away with the provision in the law requiring cities to pay prevailing wages for public works projects. I worked the first committee very hard. Thought I had the votes. I had commitments, semi-commitments, from more than a majority of the committee, only to find that the state chairman, or president, I guess, of the AFL-CIO walked in during the hearing, said that they were opposed to the bill, and walked out before the vote, and I didn't have a single vote for my bill. That was my first lesson, that you don't really count your chickens until the vote. But I had some very significant successes as a lobbyist for the league later on, after, I might say, eight or ten similar defeats. One was the creation of SCAG, Southern California Association of Governments, which was one of the first COGs. They're called—COG.

01-00:33:19

Henry: Something of government?

01-00:33:20

Michael: Council of Governments. Creation of the Metropolitan Transit Commission in LA. Also, the hotel tax, a statute allowing cities to levy a hotel tax. When you check into a hotel in California, there's a tax of anywhere from 7 percent to some cities have as high as 20 percent hotel tax. The statute authorizing that tax was a bill that I was responsible for. That enactment has raised tens of billions of dollars for cities. So it's had a real impact.

01-00:34:22

Henry: What was the inspiration for forming the Southern California Association of Governments? What was the purpose? To give clout to a council of organizations?

01-00:34:41

Michael: Cities all claimed home rule. That was the mantra. Every city sincerely believed that government, at the local level, is the most responsive government, and it serves the people best because of it. Yet all these little cities didn't really have the ability to do metropolitan planning in a county like Los Angeles, for example, where, at the time I was head of the LA office down there of the league, there were, I think, fifty-seven cities, and their transportation plans were uncoordinated. Such simple things, as street numbering and street lighting and those kinds of things. An avenue would be lit in one city, and not in another. Cities came under a lot of criticism for their inability to coordinate planning of regional issues. The purpose of the Council of Government was to bring cities together so that they officially met together and had a staff to put together regional planning projects and submit them to all of the local governments for approval. As a consequence, it staved off, from the city's perspective—it was a deterrent to metropolitan governments. Most, especially small cities, did not want metropolitan government imposed on them, and even some big cities didn't want city-county mergers, for example. Cities were primarily interested in keeping their home rule of powers, and not having to defer to a metropolitan government. That was the main motivation.

01-00:37:46

Henry: Can I go back a moment to Chico and your meeting with Eugene Lee, and the long nights discussing politics? What sort of career did you envision yourself in when you finished graduate school, and what was it about the political fray that attracted you, that turned your juices on?

01-00:38:08

Michael: I was primarily interested in what I regarded then as a nonpolitical job, which was city—

01-00:38:19

Henry: City manager, right.

01-00:38:22

Michael:

My goal was to be a city manager. The training you need in order to be considered for a city manager's position is you work in a city manager's office, in an assistant's role, and learn the business. Budgeting, personnel, administration, public works, et cetera, et cetera. I really wasn't interested in partisan politics. I was interested in effective and efficient, cost-effective government at the local level.

01-00:39:10

Henry:

Were you inspired by an overarching set of ideals about democracy or representative government or—

01-00:39:19

Michael:

I bought into the whole concept of home rule and the desirability of having government close to the people. I bought into that. I believed in it then; I believe in it now. I think one of the difficulties we're having now, both with paralyzed government and partisan acrimony, has to do with over-centralization of government, and that everyone would be better off if more powers were devolved to the local government than they are now. Instead, the trend is that everything is more centralized.

01-00:40:21

Henry:

You mentioned one of your lessons you learned when you were lobbying in those early days for the Southern California Association of Governments, don't count your chickens before they're hatched. What other lessons did you learn in those first few years as a lobbyist that lasted throughout your career?

01-00:40:40

Michael:

I was a lobbyist for not the Southern California Association of Governments, but by the—

01-00:40:46

Henry:

League of California Cities, I'm sorry.

01-00:40:50

Michael:

Lessons I learned were, money talks. That money is power. There's absolutely no difference. Money is power. That moneyed interests always won in the state legislature and in Congress. At that time, it wasn't so true at the local level. I think it has become more true that moneyed interests have more influence with local issues than they used to have. That lesson, it was so clear after lobbying and watching the outcome of issue after issue after issue, that the interest group with the greatest political resources would win, and that people who believe they could win on the merits, and propose things the way they ought to be and expect what ought to be, in their mind, to prevail over what actually is, are doomed to failure. That's still the case.

01-00:42:39

Henry:

After the League of California Cities, you went to work for two years as city manager of Claremont, California. How were you attracted to that job, and what skills did you bring to it?

01-00:42:54

Michael:

As a staff member with the League of Cities, cities would come to meetings with other city officials, and I was generally the staff for those meetings. I became fairly good at framing the issues for cities as they met, at doing the background work and developing proposals for the cities, collectively, to consider, and to forge consensus. That is an acquired skill. I became pretty good at it. I had to be good at it.

01-00:43:56

Henry:

You're a good listener.

01-00:43:59

Michael:

That's what they needed. It culminated, really, in a campaign. The Los Angeles County board of supervisors at that time—and I think it's still referred to as the “five little kings.” The board of supervisors are extremely powerful in LA County. They raise tremendous amount of money for their campaigns. It's very hard for a non-incumbent to defeat an incumbent. They are invincible, politically. The cities were upset in LA County with the board of supervisors because of the way gas tax funds were apportioned. The counties received half of all the money raised by gas taxes in LA County, and the cities received the other half. They split up the money based on population for the rest of it. Since LA was then, and is even more so now, a metropolitan, urban area, the cities thought they should have more than half of the gas tax money. As a staff member for the League of Cities, I put together a political campaign to lobby the board of supervisors and to get them to give some of the money they received, gas tax money, to the cities, which was regarded by most as a virtually impossible thing to do. We put together this successful campaign and forced the board of supervisors to give half of what they received to cities, so that cities were then getting three-fourths of the gas tax money that accrued in that area, instead of half.

01-00:46:45

Henry:

How did you do that?

01-00:46:47

Michael:

A grassroots campaign. We went to road contractors. Lots of people, lots of businesses, benefit from the contracts that cities enter into. They could see that there was benefit to them to have the cities have more of a gas tax, more control. So we just organized all the money, political money, from all of these vendors, and threatened to run people against the incumbent supervisor. This had never faced any threat like that before. That's another thing I learned with the League of Cities. Politicians don't give money to anybody. They have to take it away from them. We took it away from the board of supervisors.

01-00:48:11

Henry:

You exerted pressure by threatening to run candidates against them, huh?

01-00:48:15

Michael:

Absolutely. It was a credible threat, because we had mayors who had a demonstrated ability to be elected. In, say, the fifth supervisorial district in LA County, which includes Pasadena, Pasadena and Glendale are the two biggest cities and comprise most of that supervisorial district. Well, if the mayor of Pasadena threatened to run for supervisor, and the mayor of Glendale supported him, that looked—

01-00:49:03

Henry:

Formidable.

01-00:49:03

Michael:

—pretty threatening to the incumbent supervisor. So we did those kinds of things in every supervisorial district, and had the money to back it up.

01-00:49:14

Henry:

What's interesting about this is that the job of city manager, one would think, is an administrative job, managing a city, but you were very activist. You were very assertive in this role, yeah?

01-00:49:26

Michael:

Yes. The reason I was appointed city manager of Claremont, because I did have this consensus-making skill, and I had demonstrated an understanding of politics, which elected officials all appreciate. But I think more than anything else, the city of Claremont being a very genteel city, a college town—that's a woodpecker on the roof.

01-00:50:13

Henry:

I was wondering. [laughter]

01-00:50:16

Michael:

Sounds like a knock on the door, but it isn't. This little college town—well, it wasn't so little. It was 25,000 people at the time. They did not want a freeway, an at-grade freeway, to come through town. It would have split the city. And yes, there would be overpasses, but they didn't like that, and they didn't like the aesthetic values involved. They wanted someone who could get the state—Caltrans, which was then the Division of Highways, to submerge the freeway. They figured I was, with my lobbying experience, and this political understanding, would be the best candidate to get that job done. They appointed me. I helped form something called the Foothill Freeway Association. [phone rings] Sorry.

01-00:51:54

Henry:

That's okay.

01-00:51:59

Michael:

The Foothill Freeway Association was an organization that contained all of the cities along this proposed freeway route. [answering machine] Sorry about that.

01-00:52:22

Henry: That's okay. You can continue.

01-00:52:32

Michael:

We organized politically again and put together a pretty impressive group of people to inveigle upon legislators, state legislators who had districts along that route. That's the 210 now. We had the political muscle to use if we needed it, and with that in my back pocket, I went to meet with the—then, he was called the director of the Division of Highways, and his name was John “Chuck” Erreca. He had been president of the League of California Cities when I worked for the League of Cities. I knew him very well. He was a personal friend. Really wonderful fellow. It was a good political connection. So I went to see Chuck Erreca, and had all my talking points set up, and I had, I think, six or eight mayors with me, and laid out all of the reasons why certain things in each of these cities are needed. A freeway should be built, and the freeway should be elevated in priority so that it would be built sooner rather than later, so that all of this inconvenience of construction would be out of the way. Chuck Erreca, I had talked to him on the phone before, and we were good friends. I told him what we needed and why. He said, “Okay. Make your presentation. Put on your dog and pony show, and I will show a lot of reluctance to this idea, but I have some good reasons to do that. Then you make your final point, which is you're going to go viral with the politics if they don't deal with this.” He said, “We will then cave.” I said, “All right.”

01-00:55:37

Henry: So the script was written, huh? [laughter]

01-00:55:38

Michael:

The script was written. Needless to say, I came away from that meeting with laurels. I thought I was Horatio at the bridge.

01-00:55:52

Henry:

How about that?

01-00:55:55

Michael:

So I delivered what the city had hired me to do, I think. Curiously, it was just a few weeks after that incident that Clark Kerr called me and asked me if I'd come up and talk to him about the legislative liaison job with UC.

01-00:56:25

Henry:

That's a good transition. My tape for the first hour is out, and so we'll continue as soon as I change the tape.

01-00:56:31

Michael:

All right.

Audio File 2

02-00:00:01

Henry:

Okay. You mentioned, while working as the city manager at Claremont, California, and your distinguished successes there as city manager in a number of different areas, you got a call from Clark Kerr out of the blue. How did you know Clark Kerr?

02-00:00:20

Michael:

I didn't know Clark Kerr, but Gene Lee, at the time, was vice president for special projects, I think his title was, and Clark Kerr was president of UC. He moved from chancellor at Berkeley. The lobbyist for UC, longtime lobbyist, thirty-five years, fellow named Jim Corley, James Corley, had been fired by Kerr. At least three people succeeded him, successively. There was Earl Bolton, and Jack—I think his name was Wilcox. He said he couldn't do the job, wanted out. They put him in Washington. Then Frank Kidner. Kidner, lovely human being. It wasn't his thing. He didn't like that at all. He was a good soldier, and anything that President Kerr asked him to do, he would do, to the best of his ability. He was good at a lot of things, but he was not a particularly good lobbyist. He knew that. That's the first thing he told me. Gene Lee had recommended me to President Kerr.

02-00:02:31

Henry:

Of course, you'd stayed in touch with Lee.

02-00:02:33

Michael:

Right, we had been very good friends. I see him two, three times a year. We were very close, personal friends. I had a private phone that I didn't give the number to, just a few people. Members of the city council and my department heads, and a couple of personal friends, and that was it. So I thought somebody was playing a joke on me, that my phone rang and the voice said, "This is Clark Kerr. May I speak to Jay Michael?" I said, "Well, this is Mickey Mouse." [laughter] And some other smart-alecky thing. There was just silence on the line, and he said, "This is Jay Michael?" I said, "Well, yes, it is. To whom am I speaking?" He said, "This is Clark Kerr. You've been recommended to me as someone who might be considered for UC's legislative man in Sacramento." Then he went on to say—expanded on the job a little bit and asked me if I'd like to talk to him about it. I said, "Well, I would." At that time—it's still pretty much the case—UC could do no wrong. I went to President Kerr's house in El Cerrito, which is where he told me to come. He greeted me very graciously. We sat out on a patio overlooking the bay, and he talked about how he needed someone in Sacramento who would monitor all the legislation and have connections with the people who were there, and be able to do what the regents wanted done in the legislative halls. I told him that it sounded very attractive to me, that I would like to do that, but I said, "You may not like some of the conditions that I would have to have in order to do that. I have to be very candid with you. I'm happily employed at the moment. I'd be happy to stay there another ten, twenty years, because it's just a great

city and a wonderful situation. They like me,” blah, blah. I said, “I need to report directly to the president.”

02-00:06:17

Henry: To him?

02-00:06:17

Michael: Yeah. I said, “I know that the legislature does not like to talk to errand boys. They want to talk to somebody who speaks for the president. And if they can't do that, they won't listen.” “Well, okay,” said Kerr. I said, “I need to be able to attend critical meetings. I need to attend all regents meetings, for example, and whatever other major policy-formulating groups you have.” He said, “We have the council of chancellors, and a council of vice presidents, and those are the two major policy-formulating groups.” He said, “Of course, the Academic Senate at each campus, and the statewide Academic Senate, they set the rules for who attends those, so I really can't require attendance at those, but make sure that you have at least an opportunity to be considered for doing that.” Finally, he kind of reluctantly agreed that it was necessary for me to be well-informed. The analogy isn't quite appropriate, but it's a little bit like being the press secretary for the president of the United States. That person has to know everything that's going on, contextually, or he has no credibility with the media. He's got to report directly to the president. That's the way it is. I think I convinced Dr. Kerr that I should be able to do that. I also said that I needed access to all records except classified records. I knew the labs all had classified information, and personnel files. I didn't need personnel files, but I wanted that access. He agreed to that. Finally I said, “I want to be involved in structuring the budget, the budget process.” I said, “I don't need to be in a decision-making role, but I need to know how that budget is put together, what's in it, and why.” He said, “That's reasonable. Okay.” So he agreed to all of those conditions, which are significant conditions. I personally believe that the legislative representative for the University of California cannot function effectively without that kind of internal access. The lobbyist for UC has not had that kind of access for many years. Kerr agreed to all of those conditions, and offered me more money than I was making, and I said, “Okay, I'd like to do the job, but I'd like to be able to talk to my city council first.” I said, “I owe it to them to let them be aware before anyone else knows.” He said, “Do that, too.” So we cut a deal, and that was it.

02-00:10:57

Henry: They must have been sorry to see you go, the city council at Claremont.

02-00:11:03

Michael: Well, they said they were.

02-00:11:07

Henry: Why were you different, Jay? You say the predecessors in this job didn't want it, the ones after the longtime lobbyist left and there was a succession of three

of them. They didn't want it, because the job was just nutty. Why were you so eager to take on this challenge? What's different about you?

02-00:11:30

Michael:

I knew the lobbyist who had been there for thirty-five years or so, Jim Corley. Corley was vice president. He was a senior vice president and the comptroller. Under Robert Gordon Sproul, Corley was probably the second most powerful person in the UC system. Legislators loved him. He was an icon. To them, he was the university. He was always straight with the members of the legislature, other public officials. He made it his business to know major gubernatorial candidates so that whoever was elected, he knew them before they were elected. Governor, lieutenant governor, all the statewide offices. He had a good political mind. He was analyzing politics all the while. He was just loved by everybody. Of course, at the time, UC was a sacred cow. Kerr got out of sorts with Corley for two main reasons. One, Corley believed in centralization of the university. He thought the president, not the chancellors, should run the institution. Secondly, he thought that Kerr was too liberal and too—searching for the right word. He wasn't tough enough in administering the affairs of the university, and that student protests had gotten out of hand. He was very critical of Clark Kerr, sometimes publicly.

02-00:14:35

Henry:

That's not smart. That's not terribly smart.

02-00:14:38

Michael:

Not smart. Kerr, I think quite appropriately, fired him. It simply angered probably a dozen of the most powerful legislators in Sacramento. The governor was shocked. It was Pat Brown. Everybody who had any relationship at all with the university, they all knew Jim Corley and had a cordial relationship with him. He was very easy to get along with. Corley never did buy in to Clark Kerr's concept of decentralization.

02-00:15:40

Henry:

Of governance.

02-00:15:41

Michael:

Of governance. He never bought into it. He was very critical of the administrative decisions that were made to control student protests. That was just a bad fit. When Corley left, the bell sheep in the legislature, the tough guys, were all very upset with Clark Kerr, and with the regents and everybody else in the university, because they really loved Jim Corley. Many of them were close, personal friends, which was part of Corley's success. Anyone who followed Jim Corley was doomed to failure. When Earl Bolton took that job—Earl was a very likeable guy. I don't know if you remember Earl Bolton. He was a very likeable guy, knowledgeable. He had been with Booz Allen and Hamilton as the head guy for Booz Allen and Hamilton before. He was kind of a superstar in the university system, but he couldn't do anything right, because he wasn't Jim Corley. Then Jack Wilcox, I think his name—I've got

to check that. I forgot. He could see immediately that there wasn't anything he could do that would please anybody, and so he just got out as quickly as he could. Frank Kidner knew from the get-go that this was not his forte. They needed somebody who could make peace with Corley without giving away the store, and without giving him the opportunity to undercut the UC president. I think Gene Lee, at least, thought that I could do that, because he knew that I had known Jim Corley.

02-00:18:42

Henry: You knew him?

02-00:18:42

Michael: Oh, yeah, when I was lobbyist for the League of Cities. The first thing I did when I was appointed to the university job was I asked Corley if he would sit in on our legislative policy meetings when recommendations were made to the president and the board of regents the on position that UC should take on various issues. We had long discussions about this. Corley agreed to do that. We paid him a small retainer. He had a little stake in them, in at least mitigating his criticism of UC. I think that was a positive thing to do. He trusted me. He didn't really change his view about Clark Kerr, but he was not as vocal as before.

02-00:20:03

Henry: So you put him on retainer as a consultant to the operation, and that sort of calmed him down a bit, and had him play a part in the office.

02-00:20:16

Michael: He believed, he sincerely believed, that everything he had done was right. You know how people are that are in positions of authority. They all believe they're right, and they'd all do the same thing again if they had to do over again.

02-00:20:42

Henry: But given that prelude, it sounded like, in taking this job, that you were entering a nest of vipers.

02-00:20:48

Michael: Well, I knew that. The whole process is, you knife your buddy while I steal your girl. It's put together that way. In that environment, you have to be reliable. It seems contradictory and counterintuitive, but that is the way it is. But it's possible to be one of the guys to develop good relationships and to live by the ethics and the ethos of the process. I had made those adjustments already, having been a lobbyist. I was only out of the lobbying business for a couple of years. Those were the days when legislators served—

02-00:21:58

Henry: Forever.

02-00:21:59

Michael: Forever. So I had lots of really good friends and connections in the legislature when I went to work for the university.

02-00:22:10

Henry: Shortly after you took the position, Clark Kerr was fired.

02-00:22:13

Michael: Yes, he was.

02-00:22:14

Henry: How did you find out about his firing, and what did you feel about it?

02-00:22:23

Michael: I was always loyal to Clark Kerr. I thought he was a wonderful man, and that he was exceedingly, exceptionally, bright. That he had good, solid beliefs and commitments, and that he was doing what he thought was right for the university. He hired me, and I was going to be loyal to him. The first I heard was I had sat in on a meeting. Lobbyists for all of higher education. The lobbyist for the state college system, his name at the time was Bill—I can't remember his last name. He was a good friend of Phil Battaglia, and Phil Battaglia was Ronald Reagan's chief of staff at the time. He had heard that Reagan was personally making telephone calls to regents, asking them to vote to change the administration of the university. That it was weak, it was—

02-00:24:19

Henry: It wasn't strong with the student protests.

02-00:24:26

Michael: The campaign management for Reagan seized the opportunity to prey on public opinion, which was negative toward student protests, to get elected. It was a major factor in Reagan's election. His famous line, "Obey the rules or get out." So simplistic, and made so much sense to the general public, that everybody thought, well, that's right. That's what they should do. Nobody really probed what was going on or why, and what implications it had for the greater society in the long run. Nobody paid any attention to that. They all thought that here were these spoiled kids, having a good time at the expense of the taxpayers of the state. Unfortunately, Corley agreed. He agreed with public opinion at the time. I think, though I have no positive knowledge of this, that Corley was probably—you can call him a conservative Republican right now, which was kind of a mismatch anyway for UC.

02-00:26:12

Henry: Yeah, I think so. I know. [laughter]

02-00:26:17

Michael: But he was a competent money manager. He and Robert Gordon Sproul were very, very close, and it was Sproul's view that the faculty had its role to play, and he as president had his role to play, and it was possible that the university could be run, all the academic policy being made by the faculty, and all of the

other university issues being made—decisions—being made by the president and the regents. That was Sproul's view. That's how he got along with the faculty. It was not just rumor; that's the way he lived. That was the way he governed. Corley had bought into that. He was still loyal to Robert Gordon Sproul.

02-00:27:44

Henry: And his vision of the university. More than Clark Kerr.

02-00:27:47

Michael: Exactly. Also, Corley didn't like the outcome of the master plan. There were some serious disagreements there.

02-00:28:03

Henry: You hear through Battaglia that Reagan is making these calls to the regents to get rid of Clark Kerr.

02-00:28:10

Michael: And I called Clark Kerr and told him that.

02-00:28:12

Henry: Oh, you did?

02-00:28:18

Michael: He said, "Well, there's criticism, always, from politicians." He didn't entirely dismiss it, but he didn't take it very seriously.

02-00:28:33

Henry: Was this a mistake? Or was it inevitable?

02-00:28:40

Michael: I don't know how he could have stopped it. Reagan's kitchen cabinet consisted of—believe it was seven people. Every one of them was on the board of trustees of USC, and USC, unlike Stanford, thought that they had been done wrong in the master plan, and they really hated Clark Kerr. Somewhat speculatively, I think that they were behind Reagan's passion for getting rid of Clark Kerr.

02-00:29:35

Henry: So Kerr was succeeded by Charles Hitch?

02-00:29:39

Michael: Yes.

02-00:29:40

Henry: And you went to work for him. What was your relationship with him?

02-00:29:44

Michael: I had a very good relationship with Charles Hitch. Having worked for the federal government in the Defense Department, Pentagon, President Hitch was much more sophisticated, politically, than Clark Kerr. He understood not

just politics, generally. He understood the you have to go along to get along concept and the other shibboleth that turns out to be true about how to cope with politicians. He knew how to cope with politicians. Clark Kerr hated politicians, and he didn't know how to get along with them, and he didn't want to have anything to do with them. He was happy to have people like Frank Kidner and I deal with them. Incidentally, Frank Kidner, part of the deal was that Frank Kidner would stay in Sacramento for six months to a year after I was appointed, to get me acquainted with the university, which I was grateful for, because I had a big learning curve. Students think they understand the University of California. No, they don't. In order to do that job properly, someone really has to understand the university. What its purposes are, what its priorities are, where the power really lies, and when is it exercised and when is it not, and all of the subtleties involved in relationships. In the Academic Senate alone, you've got the statewide Academic Senate, and then each campus Academic Senate. How these senates interact and relate to one another, that in itself is a—

02-00:32:24

Henry: That's huge.

02-00:32:25

Michael: Yeah, it's a labyrinth of dead ends. By the time I left UC, I had fair understanding of those kinds of things. I don't know that anyone's a real expert on it. That was very enjoyable to me, to learn those kinds of things.

02-00:32:53

Henry: If I could ask a couple of practical questions about your early days as a lobbyist in Sacramento for the university. How big of a staff did you have, and what functions did the various players have?

02-00:33:16

Michael: There were just five people on the staff. There was a secretary. A kind of a facilitator. Dorothy Gibson was her name. Secretary was Dorothy Albany. Had one assistant. Most of the time, it was Steve Arditti. Then there was one budget guy, Milton van Dam. But in Berkeley, there was Clive Condon, who read all the bills. I read all the bills, too. Clive actually reported to Kidner but had no problem taking direction from me.

02-00:34:20

Henry: Was he in the chancellor's office, Clive Condon?

02-00:34:22

Michael: No, he was in Frank Kidner's office. Frank was Vice President for Educational Policy.

02-00:34:24

Henry: Frank Kidner's office, okay.

02-00:34:26

Michael:

But he was invaluable to have, because he had a sense of history and knew what position the university had taken on various issues in the past. Milton van Dam really didn't work for me. He worked for Loren Furtado, the budget guy, but he spent his time in Sacramento. Milton, in his previous job had been in charge of reviewing higher education budgets in the Legislative Analyst's office. He was extremely useful, too. We had a very small staff. Whenever we were uncertain about the impact of a piece of legislation, Clive Condon would ask someone in the UC president's office system, or sometimes campus officers, to analyze it early and let us know the impact. There was an immediate staff, a couple of staff members who reported to somebody else, then the entire president's office, who were available to deal with special issues, issues for their expertise. The direct staff was not as important as having all of this staff capability, but it was recognized. Oh, one other condition—I'd forgotten this—of my employment was that nobody else would represent the university except the president. If the president wanted to come to Sacramento, represent the university, that was, of course, his privilege. But if somebody else wanted to do it, they had to have my approval.

02-00:36:50

Henry:

So you were the man for the university in the capital. You were the man.

02-00:36:54

Michael:

Right. That was very important in budget negotiation. If you'd had every campus budget officer there, it would have been impossible.

02-00:37:10

Henry:

That would have been a nuthouse.

02-00:37:14

Michael:

There were lots of reasons for that requirement, and everybody understood it and bought into it, pretty much, although every campus honored the rule in the breach when they thought they could get away with it.

02-00:37:24

Henry:

What was a typical day like for a UC lobbyist in Sacramento?

02-00:37:29

Michael:

I spent probably three to four hours a day reading bills and amendments to bills. I spent a couple hours a day across the street at the capital, talking to public officials. If I didn't have some immediate problem to deal with—usually I did, but if I didn't, I'd go over there anyway, and just check into various offices to keep informed and know what was going on. Because all issues dealt with in the state legislature are related to all the other issues dealt with. The lobbyists for the University of California, it's not enough for them to know what's going on in the university and what the university's interests are. We have to know the political context of all the other issues that the legislature is dealing with in order to be effective. I'd spend a couple hours a day in the capital. I would spend about two hours a day on what I called key

contact system. We needed people in every legislative district who would, on occasions where we needed them, come forward and support the university's position. It's not good enough to have just someone who's loyal, a loyal patron and supporter of the university. All your key contacts have to have political muscle. If they're not willing to use their standing in the community to help UC, you've got nothing going for you. Later on, we'll come to that, probably. UC lost that contact. We're trying to build it back up again, but it takes years. It takes years to do that.

[Added during editing: Two or three days a week we would host a small cocktail party in the UC office of the Senator Hotel. We would invited four or five legislators who were pals and sit around talking about the topic du jour, whether it was related to higher ed or not, then go out to dinner. I worked many 14 hour days.]

02-00:40:25

Henry: What was the genesis of losing it?

02-00:40:30

Michael: When David Saxon was appointed, he said that UC didn't need a lobbyist. He called me into his office and—

02-00:40:52

Henry: This was in the early to mid seventies that he was appointed?

02-00:40:56

Michael: Seventy-four, I think it was.

02-00:41:01

Henry: So he called you into his office.

02-00:41:04

Michael: And he said, "I want to come to Sacramento and talk to some members of the legislature. But you should know that my mindset is that we don't really need a traditional lobbyist in Sacramento. We need someone who understands UC and will present the university's position on the merits, and we stand or fall on the merits. All the political manipulations that have gone on, we don't want any of that anymore." I said, "Well, I understand. That's a point of view." I said, "I think you're going to regret doing this."

02-00:42:08

Henry: Must have struck you as a little naïve, huh?

02-00:42:10

Michael: Yeah. But, "It's certainly your prerogative. I respect it." He appointed a faculty member, a nice guy—Lowell Paige was his name—to represent UC. Paige, I assume he was a good faculty member. Full professor of mathematics, and had been there for a long time. Of course, there was some regional considerations involved. Saxon believed that Berkeley had called the shots for

too long, and he wanted somebody from UCLA to serve in key spots, which turned out, just almost every appointment he made—

02-00:43:18

Henry: Was UCLA?

02-00:43:19

Michael: Was UCLA.

02-00:43:20

Henry: Was he from UCLA?

02-00:43:21

Michael: Yeah. Even though I had a degree from UCLA, undergraduate degree was from Berkeley, and I'm sure that was not a good thing in his mind.

02-00:43:36

Henry: Was he brought in over you?

02-00:43:39

Michael: Saxon?

02-00:43:40

Henry: Not, not Saxon. This Paige guy.

02-00:43:41

Michael: Paige, no. I was fired.

02-00:43:44

Henry: You were fired?

02-00:43:44

Michael: I was fired.

02-00:43:47

Henry: You were phased out?

02-00:43:49

Michael: I was forced out, yeah. That is the prerogative of a president, any CEO in a big, complicated organization. Everything I knew about administration made sense to have it that way. I knew that I served at the pleasure of the president, and at any time, any president could just say, "Jay, we don't need you anymore," and that's it. They didn't have to have a cause or a reason for doing it.

02-00:44:31

Henry: So Saxon wanted things his way, and he put a mathematician in the job of the chief lobbyist in Sacramento.

02-00:44:38

Michael: Who had no—

02-00:44:40

Henry: No experience and no—

02-00:44:40

Michael: —experience whatsoever.

02-00:44:41

Henry: —no contacts, really. So you're starting from scratch. We're still, years later, suffering from that change, you think?

02-00:44:54

Michael: Yeah. Yeah, I think so. We were on the cusp of having a really effective grassroots organization. Took a lot of time to put that together. I went to different parts of the state, and went to the library, and read newspapers going back ten years, and got a feel for who in the community was an opinion leader, bell sheep, in the community, and came up with—people in the political business say, make the district. When you make the district, you find out who all the opinion leaders are in the district, who the biggest employers are, the most respected institutions. Anyone who exercises power and is respected in the community goes on that list. In a state, say, assembly district, you might have 300 opinion leaders. Who are they? I had to know, anyone who represents UC has to know, who those 300 opinion leaders are, and which among them will carry water for UC. When you know that, and when you sign them up, when you meet with them personally and tell them what you're trying to do and why, totally open, transparent, completely honest about it, and ask them if they're willing to use some of their political muscle to help UC, because they're a UC graduate, or because they're a UC vendor, or whatever. If you've got five of those in every legislative district, and you have the ability—and now it's a piece of cake with all the IT. Then, it was not all that easy. You had to have a way to contact them, turn them on, tell them what the issue is, give them some talking points, and ask them will they talk to their legislator. You get five opinion leaders in each legislative district coming down on their legislator, you're not going to lose very many, even though you don't give any money in campaign contributions, even though you don't have a lot of independent political resources. If you have the capability to do that, nobody's going to kick your dog around very much.

[Added during editing: At the time I was forced out I had completed the “make” on over half of the legislative districts in the state. When I left the entire organization was dismantled.]

02-00:48:43

Henry: Did you have a model for this vision of community building, of support for UC? Did you have a model that you brought into this, or was this something that was instinctive on your part?

02-00:48:54

Michael: Well, when I was an administrative assistant in San Leandro, the city manager there, a wonderful man named Wesley McClure, he was then the city

manager's representative on the League of Cities board of directors. The league was fighting legislation which would have allowed public employees to organize and strike, bargain collectively. Which, after about eight or ten years of fighting over it, was enacted. That diminished the control that city councils have over their city. It's shared governance with the union is what it is. Of course, they didn't want that. Wes was very much involved with the League of Cities on that issue, and he asked me if I would come up with a make of the district that the city of San Leandro was in. And so I did that, took a couple months, and came out with, frankly, a pretty good format for making a district. Wes said, "Yeah, that's exactly what we need, statewide." He said, "I want you to talk to the organization of administrative assistants." At the league annual conference, I talked to the administrative assistants and suggested that everyone put a make on the district they were in, in the Senate district and the assembly district, and then send it to the central point so the league staff could use it in lobbying. They did. We had surprising compliance. The league defeated that legislation six or eight times, using that format. Because, at that time, the major unions in the country—AFL-CIO, Teamsters, and so on—they were very much aware that they were losing membership, and if they didn't find a way to strengthen membership, they were going to be archaic very soon. Looking at it from their perspective, this was a survival issue for them. But that was the format.

02-00:52:42

Henry:

And that was the model that you brought with you to Sacramento?

02-00:52:45

Michael:

Yeah.

02-00:52:47

Henry:

There was a serious assault on the university's constitutional autonomy during that period that you were a lobbyist in Sacramento, in response largely to the student disruptions. Where did this assault come from? What form did it take, and what did opponents of UC seek? That's a larger discussion.

02-00:53:08

Michael:

That's a big question.

02-00:53:09

Henry:

That's a big question that perhaps we should save for the next time. I'm not sure. Do you want to begin to answer?

02-00:53:17

Michael:

Let me begin, but it is a very big discussion. That assault on UC's autonomy was a product of the student protest movement. It could not have happened without it. As I said earlier, UC, prior to the student protests, was a sacred cow. Politicians did not take on UC. They got static from many different places if they did. When public opinion, mass public opinion, became negative toward UC because of student behavior, or perceived student behavior, that opened the door for critics of the university. Some longtime

critics, who were silent because they didn't want to take on the cow, they came out of the closet and began—it was a political asset for them to take on UC. It made them popular in their legislative district and helped in their reelection. Whenever that happens, kiss your derriere goodbye, because you're not going to, on any sustained basis, win that one. That was the genesis of it. One of the biggest critics that UC had was a fellow who wore a hair shirt from, I think, birth. A guy named John Vasconcellos. John Vasconcellos was chairman of the Assembly Education Committee. He was educated in Catholic schools from kindergarten through college. Through law school, actually. I'm not sure what his original objection was to UC, but he thought that everything the students said, many of whom were not students, but anyone in the student movement, whatever they said was right, and that UC had oppressed all of these students, and that members of the faculty who had tried to stifle dissent were traitors to the academic traditions, and were enemies of the state. He was rabid about it.

02-00:57:0018

Henry: What part of the state was he from?

02-00:57:19

Michael: He was from Santa Clara County. San Jose. There was a very small awakening among students in the legislative process. Something called a student lobby was created at that time, and John Vasconcellos helped organize it, and he had committees of these student protestors. They redrafted Article Nine, Section Nine of the state constitution. Of course, in their draft there were student representatives on the board of regents, three of them. There were three faculty members on the board. Faculty didn't want to be on the board of regents. When it came down to push to shove, they didn't want to serve on that. It was wise of them. The terms, of course, were reduced from 16 to six years. Subsequently amended to go eight years, but the original proposal was six years, which would have given any sitting governor, two-term governor, total control of the board of regents. It would have established a line-item budget for UC, so that every dime that was spent is appropriated for a specific purpose by the legislature. It would have eviscerated UC's independence and politicized every educational issue.

02-00:59:16

Henry: We're at the end of our second hour, and so we're going to pick this up, pick up the story, the next time we meet. Thank you very much.

02-00:59:25

Michael: Would you like some beer or some wine or some milk or—

Interview #2 November 8, 2013
Audio File 3

03-00:59:25

Henry:

Today is Friday, November 8, and I'm sitting again in the home of Jay Michael, longtime Sacramento lobbyist who served as a vice president of the University of California during the tumultuous sixties and seventies, and successfully deflected major assaults on UC autonomy and financial support. He also helped form the Southern California Association of Governments and the Los Angeles Metropolitan Transit Authority. He left the University of California in 1976, and represented physicians and healthcare interests for twenty-four years, until his retirement in 2000. My name is Neil Henry. This is the second of several conversations I will be having with Mr. Michael about his life and times. Last time, we touched on your biographical information. Your birth in Kansas, your childhood in California, your schooling, your time in Alaska to save money for your schooling at Berkeley and UCLA. We talked about your time in Chico and meeting of Eugene Lee, an influential person in your career. We talked about your time as city manager in Claremont, which drew the attention of Clark Kerr, where you were hired as the lobbyist in Sacramento. We mentioned Clark Kerr's firing, and then we began to talk about your tenure as lobbyist in Sacramento. We touched on the assault on autonomy. I'd like to continue that discussion today. What did you do in facing these assaults on the autonomy of University of California in Sacramento?

03-00:01:42

Michael:

I'm sure you're aware, foremost on an elected official's mind is, get reelected. The public opinion toward the university during the mid-sixties and the early seventies was so negative that it was a political asset for any legislator to criticize the University of California, its administration, its faculty, its students, everything. Regrettably, that resulted in a number of proposals by legislators to correct the "problem." Some wanted more budget control. Others wanted the government to have more control over hiring top officers in the university. They wanted shorter regents' terms. All kinds of things were proposed. A joint legislative committee was set up to deal with these issues and to sort through the hundreds of bills that would, one way or another, change the University of California. It was called a Joint Legislative Committee on Higher Education, and it was chaired by a man named John Stall, a legislator assemblyman from San Diego. On it were the chairman of the Assembly Education Committee, and the chairman of the Senate Education Committee, as well as others. They met frequently and vetted themselves, and came up with dozens of ideas on how to deal with campus disturbances and with UC. They were all bad, every single one, from the university's standpoint. We pretty much co-opted the committee. A majority of the committee members had campuses in their district. While that did not, in itself, assure that we had a sympathetic member of the committee, it at least helped from a constituency standpoint. For example, ultra conservative Don

Mulford was on there, and Don Mulford was a longtime assemblyman from the Bay Area, East Bay, and the Berkeley campus was in his district. But he was one of the most critical members of the legislature in dealing with the university. But among them was the Assembly Education Committee chairman, John Vasconcellos, from San Jose. He collected most of the suggestions that had been made and incorporated them into a proposed constitutional amendment. As you know, Article Nine, Section Nine is a simple statement setting up the university and giving it an independent status that no other state agency has, really. [Added during editing: The original drafters of Article Nine, Section Nine of the constitution wanted to insulate the inherently unpopular functions of UC from the hot and cold political winds of public opinion.] So this amendment would amend the charter of the University of California. It reduced the terms of regents from sixteen to eight years. Initially, it was six years, and then he changed it to eight. It subjected UC to a line-item budget control, which means that every dime the university spent would be earmarked for a purpose determined by the legislature, and the university would not be able to spend that money any other way except as specified in the line item. It added three faculty members to the board of regents. It added three students to the board of regents. It required Senate confirmation of the appointment of the UC president. It eviscerated the independence of UC. The regents, of course, took a very strong position against this constitutional amendment.

03-00:07:47

Henry: So your work was cut out for you.

03-00:07:48

Michael: It was. At a separate meeting of the regents, to deal with this issue, I advised the president, and through the president, the regents, to not simply oppose that proposal, but to come up with an alternative which was agreeable to the board. They agreed with the strategy, and we crafted, at that meeting, a proposed constitutional amendment which would counter the Vasconcellos constitutional amendment. It reduced the regents' terms to twelve years. It also removed two regents, the director of agriculture for the state, and the president of the Mechanics Institute, which were archaic memberships of the board, going back to a much different, earlier era, and made a few other small, cosmetic changes, but those were the two principal ones. There was a faculty member appointed who was ex officio, non-voting, and a student member ex officio, non-voting. We talked about who would author that, and it was very difficult to come up with someone who would be able to counter this very powerful assemblyman, John Vasconcellos. The board pretty much left that to the president and to me. [phone rings] Oh, boy. We decided that the author should be the chairman of the Senate Education Committee, a man named Albert Rodda. He carried a Senate constitutional amendment bill. A constitutional amendment bill requires a two-thirds vote of both houses to be put on the ballot. There was a bitter, long fight between Vasconcellos and Rodda for their competing measures. Al Rodda finally succeeded in killing the

assembly constitutional amendment and moving his own to the ballot. John Vasconcellos, who served for another fifteen years in the legislature, never forgave the UC system for that. He was furious that his proposal was beaten back and defeated. Individual regents participated in the lobbying effort to kill that bill. To give you a few examples, Dorothy Chandler personally called three or four members of that committee, and eight or ten state senators and state assemblymen, asking them to vote no. No member of the state legislature from Los Angeles County could say no to Dorothy Chandler. She was then editor of the *LA Times*, and perhaps the most powerful woman in California. Then Ed Pauley, an oilman from Southern California, had the drilling lease for oil in the Santa Barbara Channel, among other things. Had vast holdings in California. A very wealthy man. He had a lobbyist, a full-time lobbyist, in Sacramento. I saw, through him, a part of lobbying that I had never seen before, because Mr. Pauley's lobbyist was fully prepared to take on a legislator and defeat them if they didn't listen to Mr. Pauley. He collected two or three votes. Norton Simon contributed money to several campaigns, maybe twenty campaigns. I've forgotten the exact number, but something in that magnitude. He contributed stock, which I had never seen done before. I'm not sure legislators have ever seen it done before. There was a full court press by the board of regents, and of course UC's lobbying staff worked every member. We were very successful. We easily got the two-thirds vote for the Rodda bill, and just narrowly defeated the Vasconcellos bill. There was a possibility that both of those measures would have gone on the ballot, and then the one which received the most votes would have prevailed, and we were afraid if both got on the ballot, that the Vasconcellos measure would be passed and the Rodda bill would not. So it was important to kill the Vasconcellos bill, and we were successful in doing that, thanks to the participation, the direct and immediate and committed, dedicated work of about a half a dozen regents.

03-00:15:10

Henry: So you had a powerful constituency you worked for, and you drew on that power.

03-00:15:14

Michael: That is true. That's the only time in my eight-year experience with UC that that happened.

03-00:15:27

Henry: What made you instinctively pursue this strategy of just saying no was not sufficient; we had to come up with an alternative? Was there something in your background, in your political expertise, your coming of age, that instinctively drove you toward that strategy?

03-00:15:44

Michael: Absolutely. It was intuitive. The shibboleth in the lobbying business is, you can't beat something with nothing. It's pretty accurate. The hardest thing for the regents to swallow was the reduction of their term from sixteen to twelve years, but that was the most often criticized issue with public officials. State

senators had a four-year term. State assemblymen had a two-year term. Why would regents have a sixteen-year term? So they really wanted a six or eight-year term. Twelve was ultimately acceptable to them. Reluctantly, but they accepted it.

03-00:16:57

Henry:

What role did Ronald Reagan play in all of this?

03-00:17:07

Michael:

He constantly stirred the pot, at least initially. Ronald Reagan was essentially co-opted by the university also, but it was a different board of regents that was co-opted, because within—[phone rings] within just a few years, the board, it wasn't dominated by Reagan appointees, but he had, I think, six appointees to the board. People like Glenn Campbell from Stanford turned out to be a very strong advocate for UC funding and for UC autonomy. He was a Reagan appointee. William French Smith was a strong advocate for UC. Now, they had little problems with some of the decisions that were made, but no more so than previous regents. Ed Pauley despised Clark Kerr. He thought Clark Kerr was a Communist. Ed Pauley financed a legislative committee. This was kind of a little commission on—what was McCarthy's committee? Un-American Activities. The State Committee on Un-American Activities. They uncovered a lot of things, that Clark Kerr had attended a meeting of the Communist Party one time in his youth, and a few things like that, and so they concluded that Clark Kerr was a Communist. Well, Clark Kerr was not a Communist. I don't know. If he had been at one time, he certainly wasn't when he was president of the University of California. After anyone serves on the board for three, four years, they see the function of the University of California very differently than when they were first appointed.

03-00:19:57

Henry:

So, over the years, there were ongoing funding battles with the state over support for UC. What was the funding situation like back then, and how did funding change for UC during your years in the position?

03-00:20:12

Michael:

Yeah, that's a very good question. The first casualty was all state employees received a salary increase, except the faculty of the University of California, in the budget. That had to be about '69, I think, '68 maybe. The legislature simply denied that faculty salary increase, 5 percent, and the governor signed the budget. The regents funded the salary increase anyway, from other sources, but they did not get the state funding for it. The following year, UC again asked for a faculty salary increase, and a sufficient amount to make up for the previous lack of increase. We waged a serious battle for faculty salaries. The effort focused on a man named Frank Sooy. I don't know if you remember Frank Sooy. He was, at the time, chairman of the statewide Academic Senate, and a very mild-mannered, soft-spoken physician from UC San Francisco. He was an otolaryngologist. He had developed a surgical procedure for the inner ear that was a remarkable procedure. It restored

hearing for thousands of people. People who had never heard before, after having that procedure, fusing these little, tiny bones in the ear, heard again, or heard for the first time.

03-00:22:51

Henry: That's remarkable.

03-00:22:52

Michael: Half of them, he performed for free. He did six a day, six days a week, three of them for free, and three for a fee. Anyway, he was a wonderful man. He was so charismatic that there's no doubt in my mind that his testimony—and he went around with me and we lobbied both the policy committee and the money committees for the salary increase. He explained why the faculty should receive this increase. The legislature voted narrowly, but they supported the increase, and the following year it was restored. That was the first sign, though, that decreased funding was—

03-00:23:58

Henry: Was on the horizon.

03-00:23:59

Michael: Was on the horizon. It was hard to see at the time, but looking back, there were many reasons why the legislature was under pressure to reduce appropriations, not just to UC, but higher education, at least public higher education. I've listed them here, because they're numerous. One is a huge surplus in state funds had been built up over the war years. It was half as much as the annual state budget. It was a lot of money. It's not a lot of money in today's dollars, but at that time, it was a lot of money. This money had been spent instead of raising taxes for quite a few years. When all of that money was exhausted that had been saved up during the war years, they started using gimmicks to balance the budget, accounting gimmicks of one kind or another. Well, during the war years, there were all kinds of accounting gimmicks and other gimmicks used to hide money. The Department of Finance, of course, knew where all those cubbyholes were, and found them and used them. But by 1961 or 2, all that money was gone. So there was pressure on the legislature to reduce funding everywhere, or raise taxes.

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Henry: It's only so far that gimmicks can go.

03-00:26:12

Michael: Exactly. Second is, there was a tax revolt in 1978, but it started much earlier. Property taxes were going up at a far greater rate than the cost of living. A revolt against those tax increases started sometime in the sixties. A number of proposals were on the ballot earlier. Ronald Reagan put one proposal on the ballot in '72, I believe, which would have reduced, or put a cap on property taxes for residential property, but not for commercial or industrial property. That failed on the ballot.

03-00:27:11

Henry: In '72, it failed?

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Michael: There were other proposals that were made to take care of this problem, which was perceived as people getting older, not working, retired on a fixed income, but their property taxes kept going up and they couldn't afford it, and they had to move from their houses. This tax revolt, which culminated in the enactment of Proposition 13, became a serious factor in state spending. The third was the enactment of Proposition Ninety-Eight, which was a funding-level guarantee for K through twelve education. Essentially, it guarantees that whatever revenue comes in from the state taxes, half of it goes to K through twelve education. An interesting side note, the person who drafted that initiative proposal and got it passed was a man named John Mockler, who had been the staff member of the Joint Legislative Committee on Higher Education, that was a strong proponent of the university's views back during the student disturbances.

03-00:28:45

Henry: How about that?

03-00:28:49

Michael: I wasn't working for the university at the time, but I urged—I think Dave Saxon was president at the time. No, not Dave. David Gardner. I urged David to get the regents to oppose that, and to propose something that guaranteed funding for all of education.

03-00:29:15

Henry: So lumping K through twelve with higher ed? Right.

03-00:29:20

Michael: He didn't want to touch it. In retrospect, that was a mistake. The university should have come up with an alternative proposal, or simply opposed that one. It passed by a very narrow margin. If the president of the University of California had opposed that, it would not have passed. But this was done at a time when teachers unions were becoming very, very powerful because of their political action committee receiving mandatory contributions from every teacher in the state and their ability to pour millions in political contributions into legislative campaigns. The next was a realignment of power within state government. Various constituency groups, traditionally and historically, for all of the 1990s up until 1960 or '65, there was farming, oil, insurance, the airframe industry. These were the major interest groups in the state, but this changed in the sixties and seventies. Employee unions, public employee unions, became the most powerful interest groups in the state, by far. Teachers union—unions; there are several—the fire and police unions, the prison guards, and the SEIU. Those were the principal—they flat owned the state government, and have since, oh, about 1970. They suck up every dollar of revenue raised by the state leaving nothing for higher education.

03-00:31:41

Henry:

What propelled that change? The changing economy of the state?

03-00:31:46

Michael:

What propelled it was the private unions, private industry unions, private employer unions. AFL-CIO, Teamsters, and the SEIU, they knew that their base was shrinking, and they needed more members, and they pressed very hard for organizing public employees, and over a period of about ten years, were able to succeed with their legislation. Nineteen seventy-two, I believe, was the year that it passed, that fully all the union rights were accorded to public employees. The power politics of the state changed dramatically, and they continue to be changed today. But that was a major factor, because the demands of public employee organizations are bottomless. They're huge. There's never enough money to satisfy all those demands. They drew substantially from the ability of the state to fund higher education, because higher education unions are not consequential in the general scheme of constituency organizations. There was a significant redirection in the mid-seventies. It started while I was still there, but it really picked up steam and succeeded beyond their wildest dreams by a vocational education, private, for-profit school to get state scholarship aid. Prior to that, only public institution students got state aid. It was then extended to private universities. Stanford, USC, UOP, et cetera. Then the big change was when Heald College and University of Phoenix, and National University, all of them, they got the law changed to give them money, lots of money. I can't quantify it. I'm sorry. I've not done the research. But it was huge. That took money way from UC and the state college system, state university system. Also, UC lost its sacred cow status during the student disturbance era, and has not really earned it back.

03-00:35:20

Henry:

Lost sacred cow—how?

03-00:35:23

Michael:

Well, it's a public university, and anything that's public, owned by the public, depends on the public for support. The student riots, most people like to call them, just alienated the public from higher education, and a lot of people didn't really want their kids to go to those schools. I love the line in Herb Cain, who was a popular columnist in *San Francisco Chronicle* for many years. Was on the train and listening to a conversation of two guys sitting in front of him. One said to the other, "I sent my kid to Berkeley to get an education, not to get a bunch of new ideas in his head." [laughter] That was the attitude. It was that attitude, widespread, that just diminished public support to the point where even half the alumni were frustrated and irritated with the university system. That's never fully recovered. That trust has never been earned back. I don't know what "earned back" means, but it's never reappeared. UC is no longer a sacred cow in the halls of the legislature. Jim Corley, when he was budget officer/comptroller for the university, would go before a legislative committee, the budget committees, and present the

university's request for funds, and the chairman would say, "Now, Mr. Corley, do you really think that's enough?" I'm serious.

03-00:37:40

Henry: Those were the days.

03-00:37:42

Michael: He would say, in a self-effacing way, "Well, yes, I think that's adequate to do the job," and, "We don't want to ask for too much." Do things like that. Because of this sacred cow status, there was a unanimous vote for UC's budget. All that disappeared during the campus disturbance era. UC never really changed, as circumstances changed, to organize and utilize political power. There are really three kinds of political power. There's campaign contributions, and we all like to think that UC can't make campaign contributions, and shouldn't. There's organizing the grassroots. UC has never made a serious effort to do that. The third kind of political power is lobbying expertise capable of directing these assets strategically. There's all kinds of cosmetic stuff that goes on, but they don't know how.

03-00:39:14

Henry: But you worked on it during those years. You worked on it, and you were getting together a grassroots coalition.

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Michael: Yes, and had we continued down that road, I'm confident that we would have come up with a workable, potent grassroots organization. The top brass doesn't really like to do that. They don't like to do the things that are required in order to build that power base in the community. Furthermore, the campuses didn't want to do it for the UC system. They would do it for the campus.

03-00:40:03

Henry: For themselves. Right.

03-00:40:06

Michael: But they would not do it for the UC system. That included the alumni, the association, and all of the departments in the research institutes and everything. They didn't want to do that. They saw an opportunity to develop contacts with powerful interest groups, and to use those contacts for their parochial purposes, but never to promote the university system. That was very hard to put together, and very hard to convince the campuses that it was to their benefit to do it. I think I was making serious progress in that direction when President Saxon decided he didn't want to do those things anymore. Those are the kinds of things he didn't like lobbyists to do.

03-00:41:15

Henry: You were an activist lobbyist. You were an activist.

03-00:41:18

Michael: Absolutely.

03-00:41:18

Henry: You had a vision about how to harness political power on behalf of the university.

03-00:41:24

Michael: Yes, and nothing short of that was going to be effective. As I indicated earlier, the legislature doesn't give you anything. You have to take it. Because if you don't take it, somebody else will take it. Not because the legislature doesn't like you. You get all kinds of wonderful statements now from legislators praising the university for this or that, but when the moment comes to choose between giving money to the SEIU or to the University of California, they'll decide, every time, to give it to the SEIU. That's just an example.

03-00:42:16

Henry: So you're talking about three kinds of political power. Campaign contributions and grassroots—

03-00:42:21

Michael: Similar kinds of things. Things that will help a legislator get reelected. That's one type. The second type of resource, political resource, is grassroots organization. Organizing a constituency group that is committed and will express their support, or opposition, in an overt way, and effective way, to their elected representatives. The third kind of political resource is—let's call it lobbying expertise. This is the least important, incidentally, political resource, but it is important. The lobbyist for an interest group is not effective unless he knows the rules as well as any member of the legislature. Unless he knows each member of the legislature. By that, I mean understands that legislator's district. I spent a couple hours a day getting familiar with legislative districts. When I went to see a legislator, I didn't start out saying, "I'd like to speak to you about faculty salaries." I'd say, "Neil, I know that such and such is going on in your district, and it's got to be causing you a little concern." Or talk about things that were important to him for a few minutes. When they knew that you knew what was going on in their district, they had a very different level of receptivity than if you just came in cold and wanted to talk about what concerned you. Furthermore, if I knew for a fact that the people in this legislator's district would be supportive of our point of view, and he didn't have that point of view, I could change his vote every time, because I could get people in the district to tell him what they thought. That worked.

Anyway, you've got to know the people. You've got to know the rules. You've got to know the system. Have to know how public policy is made. Public policy, everybody thinks, well, it's made by a legislator introducing a bill and getting it passed. Well, that's one way. But public policy is also made by administrators, by department heads of a state. It's made by the regulatory process. It's made by lawyers, deep in the bowels of the Health Department, opining that such and such is the law. Well, unless that's challenged, that's what the law is, whatever that lawyer says it is. If you know when to

challenge it and when not to, you can change public policy as a lobbyist. Also, the budget process is a very significant way of making policy. Sometimes, people take policymaking into their own hands through the initiative process. That's another way of making policy. A lobbyist needs to know not only how public policy is made in each of these different processes; they also have to know how to use one process to affect policy in another process. You threaten an initiative in order to get a statute passed. You threaten running a bill in the legislature in order to get a regulation passed, and so on. To be able to do that requires a level of understanding that not every lobbyist has, but UC's lobbyist ought to have that expertise, because they need that tool.

03-00:47:52

Henry: Especially since it's no longer a sacred cow.

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Michael: That's right. [coughs] Excuse me. To be effective, an interest—UC is an interest—an interest needs to have all of those resources, political resources, developed. It's just not true that UC can't make campaign contributions. The president can't. Regents can make them. An organization like the Alumni Association can make them. You can set up a separate political action committee run by a hands-off organization that collects money and gives money for campaigns. You can create an issues PAC, political action committee. If you have \$20 million in an issues PAC, and the legislature wants to run some kind of a bill that will cripple the university, and UC's lobbyist tells that legislator, "If you run that bill, we'll run a referendum. We'll get it repealed. If we don't immediately get it repealed, we'll run an initiative and a campaign to blow it away. And we'll blow you away at the same time." If UC's lobbyist can do that, you're going to win a lot of battles. Do you do that every day? No. No way. Rarely, very rarely. But you have to be able to do that.

03-00:50:12

Henry: You have to have that weapon ready.

03-00:50:14

Michael: Yeah. The reason these public employee unions are so powerful is not because they give every legislator \$2,000, \$3,000 a year, although they do. It's because, if the legislature kicks their dog around, the union will take them out. They'll run somebody against him in the primary, they'll run somebody against him in the general, and they'll take him out. You only have to do that a couple of times when legislators don't vote against you anymore. One other thing about these political resources, because this is critical to UC's interest, in my opinion, there's a synergy that takes hold when you have all of these resources at your command. Is it effective when a lobbyist is really knowledgeable about all the processes and how to influence them? Yeah, that's important. Is it effective to have a grassroots organization and be able to communicate with legislature through them? Yes, that's important. Is it effective to make campaign contributions? Yes. Or to be able to take them

out? Yes. Or to have an issues PAC and be able to run an initiative campaign and win it, at least be credible that you can do that? Yes. But what really gives you power is to be able to do them all. When you can do all of them, it's like a three-legged stool. Each leg of the stool reinforces the other. The resultive sum is greater than the sum of its parts. You not only have each of those political resources working for you, but you have them working to support one another, leveraging your total power. A good lobbyist needs to know all of that, and how to do it. UC deserves no less. They've got to have that. Otherwise, they are never going to take that money away from all of the other pigs slopping at the trough. That's not going to happen. Does Janet Napolitano know that? Maybe. I'm not so sure.

03-00:53:27

Henry: Well, she's a former governor.

03-00:53:31

Michael: Yeah. But I think she thinks she's gone to a different land. I think so.

03-00:53:42

Henry: You were fortunate, I think, in that you worked under Kerr for a short while, and then Charles Hitch, who evidently gave you quite a bit of autonomy. What was your relationship with Hitch?

03-00:53:57

Michael: Charlie Hitch insisted that whenever I had to stay overnight in Berkeley, that I stay at his house. We were very close. He was a very kind and generous man, but beyond that, he trusted me. When I discovered a little plot that Alex Sherriffs was putting—you remember Alex?

03-00:54:28

Henry: Mm-mm.

03-00:54:30

Michael: He was a vice chancellor at UC Berkeley during the campus disturbance era. He was the vice chancellor who told the police to take down the tables in Sproul Plaza, which precipitated the riot where Mario Savio got up on top of a police car and all that. Well, that was Alex Sherriffs. Alex Sherriffs was the governor's, Reagan's, education secretary, which is a powerless position in state government. He was an advisor. I've lost my train of thought.

03-00:55:1625

Henry: We're talking about Hitch.

03-00:55:28

Michael: Sherriffs hatched up this plot. He's going to throw Hitch out and put a Reagan appointee in there, someone that Reagan wanted. I think it was Alex Sherriffs that he wanted to be appointed president, but he never said that. Of course, I immediately called Charlie and laid this out. Ever since that time, he trusted me completely, for good reason. I was 100 percent loyal. I've been 100 percent loyal to anybody I worked for, but Charlie was easy to be loyal to. He

was just a prince of a person, and a good president. He was very quiet. He was not an activist, but he liked people who were.

03-00:56:29

Henry:

You mention in your book, *The Third House*, the importance of personal relationships, building trust and personal relationships with people you deal with in Sacramento. Can you give me an idea of the personal relationships who were most critical for your success during your time at the university?

03-00:56:47

Michael:

With public officials?

03-00:56:48

Henry:

Yeah.

03-00:56:54

Michael:

There were several statewide office holders that I was close to. I knew every public official. I was on a first-name basis with every public official. I made it my business to be acquainted with everybody.

03-00:57:15

Henry:

This doesn't mean you were a social gadfly. You just developed these professional relationships with people who were critical for your work.

03-00:57:22

Michael:

Absolutely. UC's into everything, one way or another. There was always a reason why you could go to a meeting or get involved with something. Whenever there was a meeting held by some public official who had even a modicum of power, I would go to that meeting, introduce myself, and talk to that person afterward and get acquainted. We had a dinner party at our house about once a week.

03-00:58:05

Henry:

So your wife played a big role?

03-00:58:06

Michael:

Oh, yeah. We had about a dozen people every time we had a dinner party. I was a very close, personal friend of Alan Post, who was the legislative analyst of whoever was the state director of the Department of Finance, the money people. I knew staff members in both of those offices whose assignment was higher education, and talked to them two, three times a week about something. We often went out to lunch together. I got to know all of those people. Hugh Flournoy, who was state controller, who was elected at the same time Reagan was, and is a key constitutional officer. When I was city manager of Claremont, he was a professor at Pomona College in political science, and I knew him before he was elected to the assembly. We were friends. I was with him the night that he lost the governor's race. My wife and I were the only ones in his suite of rooms at the Century Plaza Hotel, to illustrate that I knew this fellow very well. In the Senate, there was George Miller, Junior, who was chairman of the Finance Committee from—

03-01:00:11

Henry: Could you hold that thought? Hold that thought of George Miller. We're out of time for the first hour.

Audio File 4

04-00:00:01

Michael: We should have a new president of the university. That that regent would say no. And Atkinson shakes his head. He says, "Oh, yeah." Anyway, that was kind of funny.

04-00:00:20

Henry: That's cool. So you were mentioning George Miller in the Senate. We were talking about personal relationships that were critical for you.

04-00:00:28

Michael: This was before *Baker v. Carr*. United States Supreme Court ruled in *Baker v. Carr* that state governments cannot organize like the federal government, with a Senate representing geography instead of people. That both houses of the legislature have to be apportioned on the basis of one man, one vote. The nature of the state Senate changed from being a cow county Senate to basically an urban Senate. When that happened, UC lost a lot of very, very strong supporters, because cow county senators did not have constituencies that wanted to draw money away from the university, and therefore they were strong supporters for funding the university. The Supreme Court decision was another reason why UC started losing state appropriations. The cow county senators that I knew, at the time I was first appointed, ran the Senate. There was a guy named Steve Teale, who represented Alpine County, and Mariposa, and Tuolumne County, I think. He was a physician. His wife was a physician. They were at a small hospital in one of those little towns up in the mountains, and he got elected to the Senate. He and I were just very good friends. We hit it off immediately, and he invited my wife and I up to his farm in Rail Road Flat for dinner, and we exchanged dinner parties every month or so. I had that kind of relationship with George Miller, Steve Teale. Oh, gosh. Why can't I remember these cow county senators? That was a long time ago. They're wonderful people. Randy Collier, Randolph Collier. Interesting story about Randolph Collier. He put in the budget, the state budget, a line item which took away from UC the Bodega Marine Laboratory, and gave it to the California Fishermen's Association. He got me to set up a tour to go check out the Bodega Marine Laboratory, and he had in tow for this tour four or five people from the Fishermen's Association. I didn't know at the time what he was up to. I just thought he wanted to see what was going on in that laboratory. Well, we started out at the Tides Restaurant, which was owned by the president of the Fishermen's Association. You walked in, and Collier says to the bartender, he says, "Set up a table over here, and put four or five bottles of vodka on it," he says, "and some orange juice and tomato juice." So he did, and glasses, and everybody walked in the door. I bought a drink. UC was paying for the vodka. Everybody walked in the door, he knew and had some

relationship with at some time, because he had represented that district for thirty years. We went on the tour of the laboratory, and we were driving back. He was bombed out of his gourd. He was almost unable to function. We were going seventy, eighty miles an hour on the little roads coming back—

04-00:06:09

Henry: He wasn't driving, was he?

04-00:06:10

Michael: He was driving.

04-00:06:10

Henry: He was driving. Oh, gosh.

04-00:06:12

Michael: A powder blue Lincoln Continental. As we drove by, coming home, the Davis campus—this is before the 80 freeway was done. I said, “You know, Senator, the Davis campus wants to build a medical school on the campus, adjacent to the campus, and the freeway alignment goes right along the Davis campus as it is now. If that alignment stays the same, the medical school will be on the other side of the freeway from the campus. We'd like to see that alignment changed so that it won't be on the other side of the freeway.” Collier pulls over to the side of the road, takes out a card. “Ken, give Jay what he wants. Randy.” This is what he wrote on the back of the card. He says, “You take this to Ken”—I've forgotten the guy's last name in Caltrans, the Division of Highways. “Give this to Ken, and tell him what you just told me.” Okay, okay. So I did, and the freeway was realigned, and that was it. He had been chairman of the transportation committee in the Senate for fifteen years.

04-00:08:01

Henry: But they didn't build the medical school in Davis. They put it in Sacramento.

04-00:08:05

Michael: No, but they intend to sometime.

04-00:08:07

Henry: Oh, okay. [laughter]

04-00:08:11

Michael: There's that big, vacant spot as you go by Davis. That's where the medical school—

04-00:08:17

Henry: That's what it's for. I didn't know that.

04-00:08:20

Michael: They've also put the Mondavi—

04-00:08:23

Henry: The Mondavi Wine Center, yeah.

- 04-00:08:24
Michael: Wine center is there. Eventually.
- 04-00:08:29
Henry: Interesting. Huh.
- 04-00:08:30
Michael: That's the way things were done in those days. If you had those kinds of relationships, it was that easy to do a lot of important things.
- 04-00:08:42
Henry: Those relationships were instrumental in your being successful in maintaining the budget of UC during your tenure there, right? Despite all kinds of efforts to reduce the budget.
- 04-00:08:56
Michael: I think so. It's hard to say. But that certainly would have been less money. It wouldn't have been more, I know that.
- 04-00:09:09
Henry: What joy did you get out of your work during your time?
- 04-00:09:15
Michael: I loved the University of California, being a graduate and knowing it as a student. I still do. I thought it was a cause for me. It was something that I believed in. I wanted to be as effective as possible, and to improve the university and pay it back the best I could, what it had done for me. I think that thousands and thousands of people feel that way and are willing—they need to be asked to do something for UC.
- 04-00:10:04
Henry: Exactly. Yeah. Which makes the firing by Saxon particularly painful for you. Was that a painful day?
- 04-00:10:21
Michael: Painful is not the word. I was disappointed. I was disappointed, because I really loved what I did. I was also a farmer for many years, forty-five years. The whole time we were in Sacramento, we had a farm out in—
- 04-00:10:50
Henry: Oh, I didn't know that. Where was your farm?
- 04-00:10:52
Michael: Near Marysville. Between here and Marysville. It was a walnut orchard. First, it was walnuts and almonds. Then we took out the almonds and put walnuts in there, too. We had eighty-six acres of walnuts. It was a good economic unit. So I had an independent source of income, and it was important to me that I wasn't dependent on a job all the time. I think everybody feels that way if they can do it. I didn't feel that I was threatened economically, but I was disappointed, because I really loved my job.

04-00:11:46

Henry: You loved the work.

04-00:11:47

Michael: Yeah. And I loved the institution. And I really didn't think it would happen, because UC had made a big investment in me. I don't know. There's no harm, I guess, in saying these things. There are all kinds of funds in the university that can be used for the different purposes. The Searles fund, which is an unrestricted fund of money, and it finances things like buying vodka for Senator Randolph Collier. That's where that money came from. It also financed my membership in the Bohemian Club, in the Sutter Club. I used these clubs, incidentally, very effectively. When a legislator got invited to the Bohemian Club, after they had that experience, they all wanted to join. "Man, that's something I really want to do." But there's not one in a thousand that they'd ever admit. But they loved to go. It was a great lobbying device. I couldn't give them campaign contributions at the time, but I'd take them to the Bohemian Club, and they'd never forget it. Those were the kinds of things that you built relationships, in a whole variety of ways. UC made that possible, and they had a big investment. How likely is it that the next person they hire as a lobbyist is going to become a member of the Bohemian Club? Not very likely.

04-00:13:58

Henry: Not very likely, no. Uh-uh.

04-00:14:03

Michael: They frittered away that asset. I couldn't understand it. I still don't quite understand it. I know what the reasons were that were given. Anyway, there are a couple other things that I'm going to finish up on. If I had my legislative rosters, I could give you a lot of insights into individuals at the time, but I'm getting old. I don't remember a lot of that stuff. I think that UC really failed to tell its story during that campus disturbance era. There are lots of reasons why it didn't, and I think I understand them. The research mission of the university is not very popular with the public, but it can be. Pure research does produce some incredible benefits to society. I had a number of stories that I would tell public officials about, like, you know, you remember when Thompson Seedless grapes were the size of your little fingernail? Well, now they're twice the size of your thumbnail. That's because of research at UC Davis. They're every bit as sweet and as delicious, and they have a longer shelf life. You have a dozen stories like that, and after a while, people say, "That does impact everybody," and have a different view of the research mission of the—most think that faculty members out there researching the eon or the ion, and who gives a damn. Public officials, particularly federal public officials—there was one senator from Wisconsin who loved to talk about all the frivolous research projects that the federal government finances, and there are some, but an awful lot of that money goes to pure research that—not every project produces something, but if you get something out of one out of a hundred of them, you're probably making your money back. I think the track record is even

better than that. We didn't really tell that story, and that story needs to be framed. It needs to be contextualized, not by a lobbyist, but by a faculty member. Then the lobbyist needs to take that story and get it out to the right people.

04-00:17:32

Henry: A good journalist could do that story.

04-00:17:34

Michael: Absolutely.

04-00:17:35

Henry: Did you have good relationships with journalists?

04-00:17:38

Michael: The media was—

04-00:17:41

Henry: It was important.

04-00:17:42

Michael: Yeah. We had good relationships with the media, but the student riots were such a great story that we could never get enough positive press to counterbalance the damage done by the events that enflamed public opinion. Despite our good relationships with individuals in the media, the net balance was we got bad press.

04-00:18:18

Henry: But getting the story out about the university's research, and framing it and contextualizing it, is an important mission for the university, to get public support for it.

04-00:18:29

Michael: Absolutely, and it still is. Despite some considerable efforts that are being made, and I recognize that when I see different stories, it's still not being done as well as it could be done, in my humble judgment. That's easy for me to say, because I'm not doing it. Anyway, also, as you probably know, in 1960, UC received 8 percent, a little over 8 percent, of the state's general fund budget. In 1976, it had dropped to 6 percent. In 2011, it was 4 percent. Currently, only 11 percent of UC's budget comes from state sources.

04-00:19:36

Henry: How much?

04-00:19:36

Michael: Eleven percent. When I first went to work, it was about 40 percent.

04-00:19:42

Henry: Wow.

04-00:19:46

Michael:

So that's what's happened. That is very significant. This sea change in the staffing, I do think UC lost eight years of potential progress, because it didn't work hard and didn't use all its resources to impact state policy. Incidentally, you asked me it must have been painful when I was terminated. About twenty years after I left—not quite that, maybe sixteen, seventeen years—I was at a regents dinner party. They would hold, every other year, a party in association with the regents meeting for retired UC officers, and former vice presidents and former chancellors and former regents were invited to come, sit around and talk about old times. It was kind of fun.

04-00:21:16

Henry:

Was this in Sacramento or Berkeley?

04-00:21:18

Michael:

This particular one was at the Clift Hotel in San Francisco. David Saxon had just finished his tenure as president of MIT, and had come back to California and attended that dinner. When he came into the room and he saw me across the room, and he made his way across the room and came up to me and said, "Jay, it may not mean anything to you for me to say this. In fact, it might even upset you. But I have to tell you that I made a mistake terminating you." I found that very gratifying. It was big of him to do that.

04-00:22:27

Henry:

That's something.

04-00:22:28

Michael:

Yeah, it is.

04-00:22:29

Henry:

That's really something. Wow.

04-00:22:32

Michael:

People who garner power like that generally don't like to admit mistakes. It made me feel good.

04-00:22:43

Henry:

That's great. That's great.

04-00:22:45

Michael:

But the sea change, I think that was a mistake, and quite aside from my personal views and feelings about it, and my personal involvement, UC needs to have an effective lobbying operation. I mean, they need the whole nine yards, develop all the political resource lobbying. Lobbying is not just knowing what UC's position is and going over and talking to public officials. That's a tip of the iceberg. That's the least challenging part of lobbying. What really counts is for the person in charge of getting that message out to play off of all of the resources that the institution has, and to be able to leverage them to the benefit of the institution. That simply has not been fully developed, and needs to be. Maybe Janet Napolitano does know how to do it. I hope so.

Somebody's got to do it, because we're just going to keep going downhill. For one thing, I mentioned earlier, public officials don't like to talk to people who don't have the authority to speak for the institution. You can't just have somebody who reports to an assistant vice president, who reports to the vice president, who reports to the president, doing this. You have to have somebody who's in position to interpret university policy and present it at the right time and the right place, and know how to do it, and have people listen when he speaks. Otherwise, you don't get there.

[Added during editing: In my view, Steve Arditti did an exemplary job representing UC in Sacramento and did so under difficult circumstances. During his tenure the state's revenue structure collapsed and new, politically irresistible demands were placed on state government due to the massive increase in power of public employee unions and enactment of Proposition 98, the K-12 school funding guarantee.]

I think the government relations merits a vice presidential position. I really do.

04-00:25:49

Henry: Doesn't it still have it?

04-00:25:50

Michael: No.

04-00:25:50

Henry: It doesn't?

04-00:25:51

Michael: Mm-mm.

04-00:25:52

Henry: I didn't know that.

04-00:22:53

Michael: No. And hasn't had since I left. UC Sacramento has lost most of its connections as a consequence of not having this strong lobbying force. This sophisticated key contact system that was being developed before I left, it was just dismantled and never used.

04-00:26:26

Henry: Sophisticated key contact system where you're developing the grassroots around the state? Yeah, yeah, yeah. Mm-hm.

04-00:26:0032

Michael: It was never used. I used it a couple of times as it was evolving and developing. If it were fully developed, and you had these critical, important people in every legislative district, that would make a huge difference.

04-00:26:56

Henry: It just seems a lot of resources going unused out there, untapped.

04-00:27:00

Michael:

I'm afraid so. There's just not a lot of political moxie going there, and it needs to be regenerated. I have here some lessons I think were learned, and some options that I think are open to UC to retain its excellence, but I don't know if we want to get into that or not. What do you think?

04-00:27:34

Henry:

Sure, we can. Sure. I was going to ask you about, you were describing how Sacramento had changed during your years as a lobbyist, and the entities of power and how they've changed. I was going to ask you about how the university itself evolved or changed during your years as a lobbyist.

04-00:28:06

Michael:

Clark Kerr's decentralization plan, I think, was put into effect, and done so effectively and wisely. It's a much, much less centralized institution than it was when I first came there. It was a deliberate goal of Clark Kerr. Subsequent presidents have pretty much gone along the same path as Clark Kerr in implementing his vision of a decentralized institution. There are a few things that really can't be devolved to the campuses. Each campus, for example, having its own government relations plan for the state and federal government—

04-00:29:11

Henry:

That doesn't work.

04-00:29:11

Michael:

—is not a good idea. There's too much conflict among campuses. Most of this conflict never sees the light of day, and the public doesn't know about it or think about it, but it's there. I think that, in some ways, that has intensified. But there were a couple of chancellors while I was there who didn't think it was going fast enough. Franklin Murphy did just everything he could to undermine Kerr. With Murphy and Jim Corley doing it, and Alex Sherriffs, who was once an insider and then an outsider, helping, there were a lot of difficulties in implementing Kerr's vision, but I think it happened despite those efforts to undermine him.

04-00:30:37

Henry:

That decentralization of the university made the job of lobbying that much more difficult, wasn't it? Because the power was diffused.

04-00:30:47

Michael:

Yeah. When Chuck Young became chancellor at UCLA, Chuck's discipline was political science, and Chuck thought he knew everything there was to know about politics. He was quite knowledgeable, I must say, but he had some blind spots. He thought it would be a good idea for UCLA to have its own office in Sacramento, and so he appointed a young guy named Joaquin Acosta to represent UCLA in Sacramento. Charlie Hitch didn't like that too much. He explained to Chuck Young that Joaquin Acosta, when he came to Sacramento, should come to the—

04-00:31:52

Henry: Should be answerable to you.

04-00:31:53

Michael: —UC office. We should talk about what he was doing there and what he was working on, and if it coincided with other UC policies, that'd be great. We'd always need the help. But if not, he was to cease and desist, and take my word as the final word on whether or not he could go forward. Chuck didn't like being reigned in like that. Those kinds of things do come up, and you have to deal with them. If we had every campus—

04-00:32:39

Henry: With its own lobbyist.

04-00:32:40

Michael: —working their own—

04-00:32:42

Henry: That would be a circus, wouldn't it?

04-00:32:44

Michael: —interest, it'd be counterproductive, I'm sure. It would also be divisive within the Board of Regents. Each Regent would find a reason to become an advocate for a particular campus and deliberately slight the system.

04-00:32:50

Henry: For sure. Yeah.

04-00:32:53

Michael: Most chancellors appreciate that and understand it and agree with.

04-00:33:01

Henry: So on your legal pad, you had some solutions for the future, or avenues the university can take toward improving the situation?

04-00:33:11

Michael: Well, yes. I'd say, coming out of the chute, that there are people far more knowledgeable than I, and smarter than I, making these decisions. I could be wrong about some of these things, but I do have some views that have formed over the years that might, on the margin, be somewhat useful. I think the lessons that we learned from those campus disturbance years, when UC was seriously challenged by a lot of powerful forces, is one that UC is a public institution, and it has to have public support. Each unit within UC needs to do its part to help nurture public support. If everyone is working a little bit at that, and I know every professor is working on things that he thinks are important and probably are—but this is tax, if you will, on everybody in the institution. Everybody needs to contribute a little bit to improving the public image of the university in order for that sacred cow status—it's never going to come back the same way, but we need to rekindle that warm feeling that the public has toward the institution, because the institution merits it, and it's got

the story to be told. It's so complex and so diverse that everybody's got to work at it and participate in it. But it is a public institution, and if you don't get public support, elected officials are not going to support it. They're going to give money to those who help them get elected, and there's never enough money to go around. That's one lesson. We need to build a reservoir of good will during good times in order to survive during the bad times, and there will be bad times. Because a lot of what universities do are simply unpopular and always will be. Nobody—I should say everybody feels somewhat threatened by change, and universities are an instrument of change of the first order. We've learned that public officials take care of their supporters first, and then once they've done that, then they consider financially supporting the white hats like the University of California. Somehow, we have to be perceived by public officials as being a positive force in their reelection. There are a whole lot of ways to do that, and we've talked about some of them. There are more that we haven't talked about, but a lobbyist should be working full time at developing those ways of making public officials feel that higher education in general, and UC in particular, is a positive force in them staying in office and serving the public. Though distasteful, academics, I think, must come to understand that, in politics, at the state level, national level, the winner takes all. We need to have public officials who at least aren't hostile toward the institution. Some of these arrogant public officials are just awfully hard to work with and deal with, but we have to cope with them somehow. Strength lies within constituencies, and the only thing that trumps campaign contributions is a very, very strong grassroots organization.

04-00:39:05

Henry: You firmly believe that grassroots trumps campaign contributions?

04-00:39:10

Michael: Not all the time, but often enough that it's worth doing. I don't think we can prosper without having a vast grassroots organization in support of UC and there isn't any reason we can't have both. When I first came to work for UC, the university extension was a powerful political force.

04-00:39:44

Henry: It was.

04-00:39:44

Michael: Yeah. Now, why? Because farmers, when they had a problem, when their orchard was dying, and they didn't know—

04-00:39:55

Henry: They could call on UC Extension experts.

04-00:39:56

Michael: They called on UC Extension, and UC Extension would come out, look at their orchard, say, "Yeah, I don't know exactly what it is, but I'm going to take a couple of samples here, and I'll let you know in a week." They'd go back and they'd do whatever they did with the lab resources they had, and they'd come

back and tell the farmer, "This is what is wrong. This is what you can do to remedy it. This is approximately what it's going to cost. Here's some vendors you can talk to to help you out." That farmer was a supporter for life. If that UC Extension guy came by just to say hello, the farmer made time for them. If an off comment from the UC Extension advisor said, "The legislature's kicking our dog around, doing this and doing that," that farmer would say, "I know that son of a bitch," and he would talk to him. Multiply that tens of thousands of times, and that's a big political force. But UC Extension is a very small part of the state's operation now. I mean, farming is. Most farming is done by corporate farmers anyway, and they go straight to the campus and get what they need. They sometimes have their own experts who were trained at the University of California. It's different than it was fifty, seventy-five years ago. We need to find the equivalent of those UC Extension, farm extension, people were. We've got to have people like that.

04-00:42:09

Henry: Certainly, they are out there.

04-00:42:10

Michael: They are out there.

04-00:42:11

Henry: Just manifested in different ways now.

04-00:42:13

Michael: That's right. We've got to find them and understand it and utilize them. So we really have to engage locally somehow. Locally. Campuses, I think, for their communities, do a pretty darn good job of that. UC has, in virtually every legislative district, some kind of presence. There's a research institute or a lab of some kind in almost every legislative district in the state. I had that all scoped out at one time. UC is such a vast operation. I learned a lot about how it's organized by trying to figure out which facilities were in which legislative district. By the time I had this chart all worked up, it was clear that we should somehow have them engaged in every legislative district, and somehow work them into communicating with public officials. We learned that we do have to gain public confidence back, and I think some great progress is being made in that regard, but it's still not enough.

04-00:43:55

Henry: In what ways is progress being made?

04-00:43:58

Michael: I think that public information offices in UC, whenever something comes up that might tarnish the reputation of the institution, they're much quicker than they once were to respond, and I think that keeping down any potential conflagration that's hard to put out.

04-00:44:37

Henry: It enhances trust.

04-00:44:39

Michael:

Exactly. I think that's a positive thing. I also think that town-gown relationships, in most campuses, for most campuses, a lot of effort goes into having good relations with the local governments, the county and the cities and so forth, districts. There's some progress made there. Also, in communities where we have big facilities, like a campus, members of the faculty get involved and appointed in the planning commission, or involved in all kinds of community activities, much more so than used to be the case. I think that's a very positive thing. Those are some examples.

04-00:45:44

Henry:

Sure. Those are good examples.

04-00:45:45

Michael:

How I think progress is being made. We learned that UC needs professional government relations, and that you need to understand all these political instruments. Develop them and use them. We learned that other interests that compete with UC for funding have done a wonderful job of creating those kinds of political resources and using. If we don't compete with them on their own terms, we're not going to get the funding they are. So I hope the powers that be in the university work on that, because it's critical. Options to UC for retaining its excellence, I think there are four options, really. One would be a constitutional amendment that guarantees that X percentage of the state budget will be appropriated to public higher education. This is the option taken by K-12 education 20+ years ago. The result was a diversion of money from higher education to K-12. If that's in the constitution, it does not guarantee that UC will get it. But it gives UC an instrument, a platform, to work off of, to sell it to the appropriate committees, to the governor, to the Department of Finance, legislative analyst. The second option, which I would prefer, is a constitutional amendment dedicating a specific source of funding to UC. The one at the moment that looks most promising would be an oil severance tax. The development of fracking has created whole new opportunities in California for mining oil. For many years, there's going to be a lot of oil taken out of the ground. If there were a severance tax, and that source of funding was dedicated in the constitution to funding higher education, I think the public might go for that, vote for it. If so, it would shield UC from the public employee unions and the other forces that take all the money.

04-00:49:37

Henry:

The other pigs at the trough.

04-00:49:38

Michael:

That's right. I think it's possible to draft such a thing. I think now is the time to do it. I think that the opportunity is there. The public attitudes are such that they might embrace it. The third would be to develop a strategy to empower UC to compete with other interests by developing these political resources. Develop the instruments to donate to campaigns. You don't have to do it

massively. The critical mass for a political action committee is about a million a year. Beginning to sound like a congressman, but that's peanuts.

04-00:50:58

Henry: A million here, a million there. Pretty soon, you're talking about real money.

04-00:51:02

Michael: That's really a small amount as compared to what's at stake here, and the total budget for UC.

04-00:51:12

Henry: What would that look like? If you were allowing UC to donate to political campaigns, how would that administratively look?

04-00:51:25

Michael: This has to be organized in such a way that the president of UC can say, "I don't make those decisions. This is not what I'm doing. My job is to run the University of California. Somebody else is doing this." There has to be an opportunity for denial for—

04-00:51:48

Henry: For the president.

04-00:51:48

Michael: For the president.

04-00:51:49

Henry: For sure, right.

04-00:51:50

Michael: I think the regents can be up to their armpits in this if they want to be, but not the president. Not chancellors. Not faculty. You've got to organize the vendors. How many industries does UC support? We need a very soft way of approaching all of those vendors and getting them to help with a political action committee like that. There are ways of doing this so that it doesn't embroil the UC administration or the faculty in politics. Because you politicize the institution, and your goose is cooked.

04-00:53:01

Henry: That's why I asked what it would look like, because it's awfully a volatile situation if you aren't careful.

04-00:53:09

Michael: Have to be very shrewd and careful, and put it together just right.

04-00:53:15

Henry: The regents could be critical of that.

04-00:53:17

Michael: Absolutely.

04-00:53:17

Henry: That's true.

04-00:53:22

Michael: Also critical to this effort is to create an issues PAC. [coughs] Excuse me. An issues PAC would have the financial capability of hiring the professionals who have the expertise to qualify an initiative on the ballot and run a campaign. When an institution has that capability, it's not just a dream, it's not just a threat. They've got the money. They have the organizational structure. They have the capacity. When they have that, and they threaten an initiative, it changes the political dynamics of public officials, the way they think and the way they act. Got to have an issues PAC. Co-opt the power centers by sharing governance. This has been done substantially already by UC. The faculty union is not anti-UC or anti-administration. Once in a while, they are, but you've got to have those kinds of relationships throughout the institution. When you peel away the exterior, they're all shared governance, is what it comes down to. There's got to be an understanding that, if governance is shared, you also share in the responsibility of putting your body on the line politically when the institution is in a battle to get money and support. It's a two-way street. I think, properly done, that would work. It's done, as I say, to some extent now. People who are a lot more experienced with the university's internal workings need to put that one together. This grassroots organization that we had started developing, and I had pretty good leg up on it, I think needs to be re-instituted and develop a grassroots organization. And not just with alumni associations, because alumni associations are all oriented toward one campus. They don't like to expend their resources and their energy—

04-00:56:49

Henry: On other campuses.

04-00:56:50

Michael: On other campuses. The lobbying effort has to be strengthened, and a broad-based PR campaign developed. The fourth option, which seems to be where we're headed at the moment, is regents would take UC private.

04-00:57:19

Henry: You think we're headed that way?

04-00:57:20

Michael: Looks that way to me.

04-00:57:23

Henry: What are the implications?

04-00:57:24

Michael: If we stay on the same course, we're not going to get any money out of the state. It keeps dwindling all the time, and it's not over. It's going to dwindle some more, because we don't have the muscle.

04-00:57:44

Henry:

But there are national and international implications, because the University of California is seen as a beacon and an ideal for public education around the world. That would be the death of a dream, wouldn't it?

04-00:57:56

Michael:

All reality is ephemeral. That could disappear. It is seen as a beacon, and for good reason. Something really beautiful was created in this state. But you can't count on that staying the same, unless you do some of these things.

04-00:58:23

Henry:

Exactly. Well, our second hour today is up. I thank you, Jay. Next time, we'll pick up with your book. I have a lot of questions about your book, and conclude with your years at the Health Association. Thank you.

04-00:58:43

Michael:

I didn't know you wanted to do that, but I'm glad to do it.

Interview #3 November 19, 2013
 Audio File 5

05-00:00:04

Henry:

Today is Tuesday, November 19, and I'm sitting again in the home of Jay Michael, longtime Sacramento lobbyist, who served as a vice president of the University of California during the tumultuous sixties and seventies, and successfully deflected major assaults on UC autonomy and financial support. During our last conversation, when the tape wasn't running, you had a couple of anecdotes, interesting anecdotes, and I was wondering if you could share them again. One was about Willie Brown and his effort to get a publisher's son into the University of California San Francisco Medical School.

05-00:00:41

Michael:

Yes, it was probably in 1972, give or take a year. Willie Brown was then chairman of the Ways and Means Committee in the assembly, and had a great deal of responsibility for constructing the state budget. He called and asked that the son of a publisher of the—I think it's called *The Sun*, in San Francisco, published by Carlton Goodlett—asked that his son be admitted to medical school. I indicated that I'd look into it, see what his status was, and see what could be done. Turned out that the young Goodlett boy—his name was Kenneth—he had completed a premed course, but he lacked—I think it was three subjects in the premed program. His grades were not the best, but they were adequate, but he lacked these courses. Turned out that he was turned down for admission by the Affirmative Action Committee, which was either all students, or principally students, at UC San Francisco. They didn't think he was as qualified, nor as committed, as other students who had applied, so they didn't recommend his entrance to medical school. I reported this to Mr. Brown, and he said, "Jay, that's all very interesting, but I want him admitted." He said, "I know there's a way to get him admitted, and I'd like him admitted." So I went back and reported this to the chancellor at UC San Francisco, and he looked into it and gave me all that information, and also said that if Ken Goodlett completed those courses and received at least a B grade in the three courses that he lacked, that he would personally recommend admission, which was tantamount to a promise that he'd be admitted. I reported that to chairman of the Ways and Means Committee, and he said, "Look, Jay. I don't want to fool around with this." He said, "I don't have to tell you how important this is to me. I wouldn't be inveighing upon you this request if it wasn't important. So I want him admitted. Now, if UC decides not to admit him, UC's budget will be reduced by \$10 million."

So I went back and called Charlie Hitch, who was president of UC at the time. Of course, it's the president's responsibility to secure funding for UC, and so he had a stake in this issue. I sought guidance as to what we should do. President Hitch said, "I'll do whatever the chancellor recommends. But my sense is that the institution would be better off if we refused admission. Set a precedent that we couldn't live with in the future, and the precedent would be

that if you have enough political muscle, you can get admitted to medical school.” Said, “I just can’t live with that.” So I talked again to Chancellor Sooy, and Dr. Sooy, who was a very pragmatic person and very good with human relations, said, “All right, we’ll compromise. You tell Mr. Brown that Goodlett will be admitted if he completes the one course that is absolutely essential to the study of medicine. If he can’t pass that with a good grade, he’s not going to be a good doctor. I have a responsibility not to turn poor doctors out on the world.” He said, “Tell Mr. Brown that we’ll do that.” Well, I went back to Willie and said, “This is what we can do. This is the best. If he completes that one course, he gets a B in it, be admitted.” Willie said, “Going to cost you \$10 million,” and slammed the phone down. The budget came out of the Ways and Means Committee, \$10 million less than they had earlier approved.

05-00:08:04

Henry: As promised.

05-00:08:04

Michael: As promised. We got it straightened out in the Senate, but it took a great effort to do so. Incidentally, Mr. Goodlett is now Dr. Goodlett. He practices somewhere in the Bay Area, I believe, and for all I know, is a good doctor.

05-00:08:34

Henry: He finished that class and got a B?

05-00:08:35

Michael: He finished the class and got a B, and was admitted.

05-00:08:40

Henry: Was Reagan involved in this, finally?

05-00:08:42

Michael: No, not in that one.

05-00:08:44

Henry: Not in that incident?

05-00:08:44

Michael: He was not, no. Well, wait a minute. Yes, he was involved. I’d forgotten. I explained, first to the legislative director, legislative secretary, a fellow named George Stefis, and George said, “I’ll talk to the governor and we’ll deal with that, and somehow I’ll get that straightened out.” Said, “I don’t know what we’ll do yet, but we’ll work it out.” A few days later, there was a regents meeting, and Ronald Reagan always came to the regents meetings. I think he missed one in his eight-year term as governor. I explained it to the governor personally, and he said, “Tell you what. If you get a friend of mine admitted to medical school, I’ll see that it’s reinstated,” and he laughed. He was, of course, being facetious. He clearly knew about it and was instrumental in getting it restored.

05-00:10:04

Henry: You said Reagan attended all the regents meetings in his eight years, except for one. He was very reliable in going to the regents meetings.

05-00:10:11

Michael: Yes, he was. I believe I'm right in that. I know he attended almost every one.

05-00:10:17

Henry: You played a role, inadvertently or advertently, in preparing him for attending the regents meetings, right?

05-00:10:24

Michael: I did. Reagan's chief of staff, a fellow named Phil Battaglia, asked me if I would, before each regents meeting, pick out the issues on the agenda that are likely to be controversial, and to provide a one-page memorandum on each issue, laying out what the issue is, what the arguments for and against are, and make a recommendation, and provide any other background information which might have some bearing on resolution of the issue. Which I did for about five years. Every regents meeting, the governor, I could tell, came up with some indication that he had read the memorandum. On several occasions, he didn't quote me, but he just used the words that I had used, word for word. I was later told by Ed Meese, who was subsequently, after Phil Battaglia, the chief of staff, that the governor had a photographic memory. One of the reasons he found acting so easy is because he could remember his lines without any difficulty.

05-00:12:12

Henry: And he proved it during the regents meetings, right?

05-00:12:13

Michael: That's right.

05-00:12:15

Henry: During his years as president, you had access to the White House, unusual access.

05-00:12:21

Michael: I knew just about everybody that the governor had appointed, in Sacramento at least, when Reagan was governor. Some were very good friends who I'd known prior to Reagan's election. People like Ed Meese. They were all eager to hear firsthand from somebody on the inside what was going on in Sacramento when they were in Washington, because people just don't forget their roots, and they are curious and interested about what's going on, political realm, when they are a politician. I was always welcomed in the White House, and had the pleasure and privilege of having lunch in the mess hall, they call it, the Navy runs, the food operation in the West Wing, and would often have lunch there with one of Reagan's principal staff members.

05-00:13:46

Henry: Getting into the White House was relatively easy. You hardly even had to show ID back in those days, huh?

05-00:13:51

Michael: On many occasions, the security officers recognized me and waved me through.

05-00:13:59

Henry: It's a lot different today, let me tell you.

05-00:14:00

Michael: I'm sure. That was before 9/11, of course.

05-00:14:04

Henry: Right. I'd like to ask you a number of questions about your book. What made you write it, and how did you choose your collaborators, and what points did you want to stress most urgently in the book? It's entitled *The Third House: Lobbyists, Money, and Power in Sacramento*.

05-00:14:24

Michael: Yes. What motivated me to write it is that it was a great epiphany to me that the institution, the legislature, is inherently corrupt. There are reasons, which make sense, on why it's corrupt, and it's not very well-known that it's as corrupt as it is. Corruption doesn't always result in individuals putting money in their pocket, but it does result—money drives the system. Generally, it's campaign money, and those who pay play. It's so obvious and so unerring a law in politics at the state level, and I believe it to be so at the federal level as well, that money drives the policymaking, that I thought it would be important to write it down and explain why. I'm humbled by the magnitude of the problem, and further humbled by the fact that I really don't have a solution, nor does anyone else that I've known. I concluded that the principal reform that's necessary is disclosure. Full, immediate disclosure of all campaign contributions, and a clear indication as to the source of the money, and if possible, what the interests are of the person who contributed the money. If that could be canonized, much of the corruption, if it didn't go away, it would at least be known by other people who are interested in the process. Right now, the people who have the money get what they want, and the people who don't contribute the money don't get what they want, period.

05-00:17:23

Henry: Isn't that one of the problems that term limits was supposed to address? If there weren't these constant campaigns and the influence of campaign donations, would lessen?

05-00:17:35

Michael: It was an argument used in support of term limits. I think term limits made a dent in the magnitude of the problem, but by no means did it solve it. The people who opposed terms limits sincerely believe that a member of the legislature really isn't knowledgeable enough to make sound judgments about

policy issues until they've served for four or five years. If term limits limit you to six years or eight years, there's not much productive time, if what they say is true. I think that, without term limits, a great many members, certainly a majority, learn from additional tenure how to game the system better.

05-00:19:02

Henry: To their own benefit?

05-00:19:03

Michael: To their own benefit. And how to stay in office longer. Even a casual observer of politics knows that, once elected, a public official will do almost anything to get reelected. There's a reason for that. It's a very prestigious, cushy job, and you can become wealthy without much risk of prison time. I remember one time, Alan Simpson, a US senator from Wyoming, was asked, "Do you support term limits for members of Congress?" Simpson said, "Yes I do." Said, "I support two-term limit. One for serving in the Congress, and the second in the state penitentiary." [laughter] Anyway, the main message in the book is that money drives public policy. There's an example in the back of the book of an issue that was decided—a journalist wrote it, a guy named Weintraub. He did a wonderful job of writing it and documenting it. It was a bottle bill, which ended by imposing a deposit for each bottle that would be returned when the bottle was returned. It started out as a measure to clean up the environment, keep bottles from being littered all over the countryside. Ended up being a moneymaker for the bottling companies. That was never intended.

05-00:21:35

Henry: But it was an interesting anecdote that explained how arcane lawmaking can get, because they talked about what liquids should be under the law, sodas or fruit juice. If fruit juice, what kinds of fruit juice. It incorporated all kinds of lobbyists involved.

05-00:21:59

Michael: Any company that bottled its product, or canned it, was very interested in the outcome, because enormous amounts of money are involved. An exemption was worth a great deal of money for a company that made fruit juice, let's say.

05-00:22:28

Henry: I'd like to go over a few chapter headings in your book and ask you to elaborate on their meaning. The first chapter is entitled "Who Are These People Called Lobbyists?"

05-00:22:39

Michael: Yes. Depending on where you sit, you have a different view of what a lobbyist does. The client of a lobbyist has one view. A public official who's lobbied has a very, very different view. The media has yet another view, and on and on. There's some truth in each perspective. But a lobbyist view is really different than anyone else's view, and doesn't mean it's right, but it's different. Purpose of that chapter was to explain how these views differ and

why, and what the utility is, social utility is, of lobbyists. I hope I've shed a little light on that in the book, but that was its purpose.

05-00:24:06

Henry:

Chapter two, "Who Hires Lobbyists and Why?"

05-00:24:12

Michael:

Almost everyone who hires a lobbyist makes a business decision that it will cost them less money to have a lobbyist in Sacramento, or Washington, than it would if they don't. A lobbyist is hired to protect the interests of a particular interest. A lobbyist is not there to improve the general welfare. The lobbyist is there to secure for the client what they desire. Lobbyists need to know a lot about how government works in order to do that. But usually, a client wants a tax break of some kind, or they want to protect their competitive position vis-a-vis other industries, or they want to somehow get a leg up on their competition by using the law to either improve their position or to diminish the bargaining position of some other interest.

05-00:25:53

Henry:

Chapter three, "The Lobbyist as Field General of Political Warfare." How are the two roles similar, and how did you play a field general?

05-00:26:07

Michael:

A military general certainly needs to assess the strength, the assets, of the enemy or the opponent, and must know his own strengths and weaknesses, and what his resources are and what he can draw upon to enter the battle, and have a pretty good concept of what resources it takes in order to win. What most clients pay for is that assessment. If they're tilting at windmills, they don't want to engage in a battle, a very expensive battle, and they certainly don't want to escalate the war, because the business decision that they've made is that it won't cost them as much as they get out of it if they employ a lobbyist. A lobbyist, knowing the process, knowing the players, knowing all the political resources that are available, assesses the situation and develops a strategy, a strategic plan, on how to win that issue. What the client wants to know is, what is a winning strategy, and how much will it cost me? Good lobbyists know how to do that. You can tell a good lobbyist from a bad lobbyist. Good lobbyists win; bad lobbyists lose.

05-00:28:12

Henry:

It's as simple as that, huh?

05-00:28:13

Michael:

Yeah. It's like coaching.

05-00:28:18

Henry:

Another chapter is entitled, "Money: The Mother's Milk of Politics."

05-00:28:23

Michael:

Money. That's often attributed to Jesse Unruh. Jess Unruh, he's preferred to be called. The shibboleth he used is that you can't legislate if you can't win an

election. And so winning isn't everything, it's the only thing. The first and foremost job of a candidate, if they want to win, is to raise enough money that they can at least have a critical mass necessary to get their message out to the electorate. This alone does not guarantee being elected, but there is an amazing correlation between the amount of money spent in a campaign and winning the election.

05-00:29:49

Henry: There's a correlation?

05-00:29:50

Michael: Absolutely. It's an aberration when—

05-00:29:59

Henry: When the correlation doesn't come true?

05-00:30:01

Michael: Right. The mother's milk of politics is very apparent as you deal with issues in the legislature. It's not surprising that interest groups sometimes try to bribe public officials, and that public officials sometimes shake down interest groups for political money.

05-00:30:42

Henry: It works both ways.

05-00:30:44

Michael: It does. It's a great surprise to many people. They think that lobbyists are evil. Well, many are, but most are not. They're certainly more than messenger boys. It's not their money they're giving. The interest group, the interest—and that be a group—the interest who want something out of the legislative process is the one that has to come up with the money. An incumbent legislator, or a candidate, will do almost anything before the election to get a significant campaign contribution. One of the things I learned, not while I was with the university, but subsequently, was that when an interest group makes campaign contributions, the campaign managers for various candidates try to game the interest groups that make contributions. And so a campaign manager who is managing the campaign of a challenger, let's say, in a legislative district, will set up meetings with major interest groups, groups that give money, campaign contributions, and listen, before the election, listen to that interest group to see what it is they want out of the legislative process, knowing that if they tell that interest group, "No, I can't support that," they're not going to get any money. If they tell them, "Yes, I can support your program," the money flows. Well, it depends on just how clear the quid pro quo is.

05-00:33:41

Henry: The bargain.

05-00:33:42

Michael:

Right. In most cases, it's crystal clear. It's crystal clear. There's no secret that the major contributors—let's say the California Teachers Association, which gives tens of millions, scores of millions, of dollars every election cycle. Any candidate who does not meet with the CTA and listen to their program and make commitments to them, they're not going to get their support.

05-00:34:29

Henry:

CTA is also the biggest hiring of lobbyists in Sacramento, right?

05-00:34:34

Michael:

Yes, they are. But it's not just the CTA. It's any interest group, which is hundreds, that make campaign contributions. When I was with an organization called CAPP, Californians Allied for Patient Protection, which was a consortium of healthcare providers and insurance companies who were interested in limiting liability for medical malpractice, we made a video, much as you are doing now. This video ran thirteen minutes, because that's about the longest time you can keep somebody's attention. It laid out precisely what the issues were in medical malpractice legislation. Whenever I met with the candidate, for the legislature, or for a constitutional officer, I would play that video. After the video was completed, I would say, "Well, what do you think?" Now, the things that we needed out of the legislature in order to protect medical providers from frivolous lawsuits were very, very specific and clear. A candidate couldn't come up with just a generalization and say, "Well, that's very interesting. I'll see what I can do." That's not adequate. If a candidate said, "I understand the issues, and they are A, B, C, D. I would be supportive of your position on all four of those issues. I'd be glad to write you a letter indicating my support," we would give the maximum amount we could to that candidate. But if they were iffy about it—

05-00:37:27

Henry:

You'd withhold.

05-00:37:27

Michael:

Withhold. We didn't just be satisfied with that, because we would follow that up with a fundraiser in that candidate's district, and we would have local physicians and nurses, and health clinic directors, and hospital administrators present, and they would ask questions, playing off the video, and that candidate would publicly indicate his support for those specific issues. He was on record.

05-00:38:16

Henry:

That was smart.

05-00:38:19

Michael:

He would find it very difficult to—

05-00:38:22

Henry:

To wiggle away from that.

05-00:38:24

Michael: Now, is that corrupt? Well, it's not unlawful.

05-00:38:31

Henry: But very effective.

05-00:38:34

Michael: I think that I was the first one to do that, using that little technique, but it's now not unique at all. Quite a few interest groups do that. The difference between a campaign contribution and a bribe is the timing. That's all. Whichever one you choose to call it, it works. That's really the essence of this book.

05-00:39:21

Henry: There's one more chapter heading I wanted you to expound upon. "The Politics of Personal Relationships."

05-00:39:30

Michael: Before term limits, it was different than it is now. Before term limits, it was not uncommon, particularly in the Senate, for a legislator to serve thirty, thirty-five years. If you, as a lobbyist, had a personal relationship with these longtime legislators, they learned to trust you. You earned the trust by never lying to them, never exaggerating or understating what the issue is. You had them over to your house for dinner, and you took them out and took them to ballgames or whatever, in personal relationship settings. They had reason to trust you. If I received a commitment from one of those legislators on an issue, that would be pure gold, because usually, the more longevity a legislator has, the more clout they have. Now, it's still important. Many legislators and lobbyists do have close relationships, personal relationships, but the personal relationship factor is not as effective in lobbying today, under term limits, as it was before term limits.

05-00:41:46

Henry: You feature a fascinating glossary of terms in your book, and I'd like you to ascribe the significance and give specific examples from your career of a few of them. Engine driving the train.

05-00:41:59

Michael: When a piece of legislation is very popular, it's important for a lobbyist to use that popularity of that issue to carry the main appeal for the legislation, but buried in the bill will be what you really want to accomplish. Which hardly anyone knows about or cares about. One example today, right now, there is an initiative proposal by the plaintiffs bar that, if it goes on the ballot, will purport to test all doctors for drug addiction. Anyone reading the material explaining that bill, approved by the attorney general, approved by the legislative analyst, will say that that is the major purpose of this initiative proposal, but it is not. The main purpose is a very small provision. Also in that initiative proposal, which says the cap on pain and suffering awards is raised from \$250,000 to a million dollars, and prospectively will be indexed cost of

living. The plaintiffs bar, that's what they want out of—they don't care whether doctors are tested for addiction, really. They want that cap raised. The engine driving the train is drug testing of doctors.

05-00:44:36

Henry: Although the actual intent is buried in this other—

05-00:44:39

Michael: That's right.

05-00:44:40

Henry: I see. Interesting. Floor jockey.

05-00:44:47

Michael: It's no surprise, I guess, that most legislation—yeah, most legislation. I was going to say maybe not most, but it is most. Most proposed legislation is drafted by lobbyists. Technically, legally, it's drafted by a legislative counsel, the Legislative Counsel Bureau. They draft the bill. But nine times out of ten, the lobbyist hands to the legislative counsel his draft of the bill, which in turn had been drafted by the general counsel for the company that he represents, or a law firm retained for that purpose. What were we talking about?

05-00:45:54

Henry: We were talking about floor jockey.

05-00:45:56

Michael: Oh, floor jockey. The person who's asked to carry the bill is usually someone that the interest group that hired the lobbyist gave a significant campaign contribution to. The lobbyist asked that legislator if he would introduce the bill and be committed to getting it passed. Work hard, work the legislature to get it passed. When they do, they agree to do that, that's floor jockey.

05-00:46:38

Henry: Here's a good term: goo-goos.

05-00:46:41

Michael: Goo-goos is a term for good government lobbyists.

05-00:46:47

Henry: Good government lobbyists, okay. Right.

05-00:46:50

Michael: When I represented the University of California, I was viewed as a goo-goo. When I represented the League of California Cities, I was perceived as a goo-goo. Common cause lobbyist is a goo-goo. It's people who are generally for good government proposals, general welfare proposals, not for greedy self-interest groups.

05-00:47:25

Henry: Were you a goo-goo when you worked for the Health Association?

05-00:47:29

Michael: No. No, no, I was a hard ball lobbyist.

05-00:47:32

Henry: Hard ball lobbyist, okay.

05-00:47:34

Michael: Incidentally, with the University of California, the university, mainly because Jim Corley created the image, was not really seen as a goo-goo. For example, I was a member of the Derby Club. You had to be invited to join, and it was a club of equal number of lobbyists and legislators. If you were a member of the Derby Club, you got a little more attention from legislators who were also a member of the Derby Club. Well, I was probably the only goo-goo member of the Derby Club. I went on fishing trips and hunting trips to British Columbia and Alberta, the Yukon Territory, and Mexico, and while with legislators on those trips, developed these personal relationships that were invaluable. The UC lobbyist should be perceived as an insider, and not your usual goo-goo.

05-00:49:26

Henry: If you want to be effective.

05-00:49:27

Michael: That's right.

05-00:49:27

Henry: Exactly. Here's one: horseshoe.

05-00:49:31

Michael: A horseshoe is the configuration of the governor's office. The governor's office is on the horseshoe, but there's a hallway that comes off of the main thoroughfare in the state capitol, and it's a horseshoe-shaped area that has offices along it. The only way you get into the horseshoe is you have to talk to the receptionist in the governor's office and be admitted, because the doors are locked. When you're so well-known in the governor's office that the receptionist just automatically opens the door for you when you walk in, you're—

05-00:50:41

Henry: That's access.

05-00:50:43

Michael: That tells you something about your power in the power structure. Only trusted individuals are admitted to the "horseshoe" suite of offices surrounding the governor's inner sanctum.

05-00:50:49

Henry: Did you have that experience?

05-00:50:50

Michael: Oh, yes.

05-00:50:51

Henry: Oh, yeah?

05-00:50:52

Michael: I was always opened in.

05-00:50:55

Henry: Great. Speakerize.

05-00:50:59

Michael: When a bill is speakerized, the speaker has made a commitment to the sponsor of the bill that it will either be passed, or, to an opponent of a bill, that it will be killed. The way you get a bill speakerized is you have to have some special relationship with the speaker. Doesn't have to be personal. It could be extraordinary campaign contributions. It could be you know what the speaker's views are in advance, and you play to those views with the bill in the way it's crafted. But when it's speakerized, it's almost sure to pass the assembly. When bills pass the assembly and are sent to the Senate, the Senate looks at them very differently than all of the bills that are just introduced in the assembly.

05-00:52:22

Henry: Did your tactics change in working the assembly versus the Senate? How did the two bodies differ?

05-00:52:28

Michael: They differed quite a lot. The assembly was a little squirrely. You have more extremists in the assembly, on both sides of the aisle, than in the Senate. It's still true with term limits, but not as true as it once was. The Senate is—since they don't have to run every two years, they run every four years for office, it's much less volatile, mercurial. If you really want gravitas in your legislative proposals, you start them in the Senate. That's a lot of work to try to get eighty assemblymen to support your proposal. It's just half that difficult to get forty people to support it.

05-00:53:48

Henry: So invariably, well, it would be more effective to start in the Senate if you wanted gravitas attached to the bill, and then move to the assembly?

05-00:53:57

Michael: Well, I always thought so, and I still think so. Now, if you could speakerize a bill before it's introduced—

05-00:54:12

Henry: Then you got a good shot.

05-00:54:13

Michael: You've got a good shot in the assembly. But short of that, unless you have a very, very well-positioned person in the assembly carrying your bill, you're better off starting in the Senate. Most half-baked, poorly thought out

legislative proposals state in the Assembly and die in the Senate. Fewer measures begin in the Senate.

05-00:54:31

Henry: One more before we finish this part of the tape. One more term. Walk in the park.

05-00:54:40

Michael: Well, if a lobbyist wants to skate right up to the line of what's legal and what isn't, and talk to a member who is responsive to money, that member will often suggest that you both go for a walk in the park. Capitol Park. Talk about the issue standing by the fish pond there, where there's a lot of racket coming from the pond. With sting operations of the FBI and—the law is very clear that there can be no quid pro quo to a campaign contribution. Any lobbyist who will talk in the same session about a campaign contribution and a particular issue is really in dangerous ground, because that's what's unlawful. That's what differentiates a bribe from a campaign contribution. Now, a walk in the park suggests that you don't have time to do it another way. The other way is a lobbyist will go into a legislator's office and talk to the chief of staff of that legislator. The lobbyist will say, "You know, John, my clients really like Charlie Brown. He's a great legislator. We want to give him \$25,000." "That's wonderful. That's great. Thank you very much. He'll be glad to hear that." "Okay. See you later." You walk out. Two days later, you come into that legislator's office and say, "My clients would like to meet with Charlie Brown." "Wonderful. No problem. How's nine o'clock tomorrow morning?" You bring your clients in, talk about the issue. Never talk about money. Never talk about money. Talk about the issue. You submit, in advance, a memorandum laying out the issue, who's for it, who's likely to be against it, what's at stake by those interested parties, and what public opinion is likely to be on this issue, if it receives media coverage and becomes well-known. You lay all that out. Charlie Brown will look at it and say, knowing that he's going to get a \$25,000 campaign contribution—nobody talks about that. But he knows that's already—

05-00:58:44

Henry: That it's pro forma.

05-00:58:45

Michael: That's right. Will say, "Yeah, I can support that. I'll help you get it passed."

05-00:58:58

Henry: Okay, I'll change the tape.

Audio File 6

06-00:00:02

Henry: We were talking about the term "walk in the park," and I wanted to ask you, did anybody ever ask you to go for a walk in the park, and what happened?

06-00:00:12

Michael:

Yes, there were several occasions, over my forty-three years of lobbying, when members of the legislature, with a vote pending in a committee, asked me if my client would give them X amount of money. I, on every occasion except for one, said, "We don't do business that way. We support our friends, and those who are not our friends don't receive our support. I can't be more specific than that, but I'm sure you understand my position." There was one occasion where, very often, when I was with the Medical Association, I would talk to legislators in the presence of a doctor from the association. They wanted to get involved. One time, we were dealing with an issue that was very important to this particular physician, and the chairman of a committee had a bill on call. There were four votes for it, four votes against it, and he was not voting yet. He signaled for me to come out in the hall. I went out in the hallway, and there was this ante room off of main committee hearing room. The physician was with me. I'd rather not use names in this case. This legislator said, "Well, Jay, you can see what the situation is here. What's it going to be?" I said, "I need to ask you, what's your inclination?" He said, "Well, a \$10,000 campaign contribution could make the difference in the outcome of this bill." This doctor said, "That should be no problem." I said, "Wait a minute, doctor."

06-00:03:28

Henry:

You don't know what you're getting into.

06-00:03:30

Michael:

"I think that could be a problem." The doctor and I had an argument going, and the legislator committee chairman went back into the hearing room. As he left, he said, "Let me know what you decide." And he left. This doctor told me that this was worth way, way more than \$10,000; it's worth millions, and we should give the contribution. I said, "Doctor, the way you give a contribution makes a big difference. It makes a big difference on whether you spend the rest of your life in prison, or whether you spend the rest of your life practicing medicine. What's your choice?" He started backing off. I did not go back in. I went back into the committee hearing and sat down, and the chairman looked at me like—

06-00:05:01

Henry:

What's the answer?

06-00:05:05

Michael:

I didn't even nod my head. I just didn't say anything. Incidentally, we lost on the issue in that committee, but we won it on the floor.

06-00:05:19

Henry:

Oh, you did?

06-00:05:20

Michael:

Oh, yeah.

06-00:05:21

Henry: Oh, that's good.

06-00:05:22

Michael: In fact, when I was with the CMA, we didn't lose very many.

06-00:05:29

Henry: He played hard ball with the CMA.

06-00:05:30

Michael: Yeah, that's right.

06-00:05:33

Henry: You observe in your book the following, and I quote, "The major difference between Jess Unruh and Willie Brown was that the former never lost sight of his policy goals as he accumulated power, while the latter rarely pursued any goals other than maintaining himself and his party in power." How did this difference manifest itself in the actual running of state government?

06-00:05:55

Michael: Oh, well, reasonable men would differ on the answer to that. It explains why Mr. Brown was speaker for so long. He's the brightest legislator I ever met, for sure. Not only was he bright, he was street smart and shrewd, tough. If I really wanted a big, important job done, I'd go to Willie Brown. He really was tough. But I can't point to any legislative accomplishment of Mr. Brown of significance. I can't think of a single one. Yet Unruh adopted the Unruh Housing Act, which prohibited discrimination in housing. He enhanced Medicaid in many ways. He had probably a dozen legislative issues that really changed how groups of people are dealt with by government, and he put his body on the line every time. Now, did that mean that he was squeaky clean and honest, and never did any of these things that we've been talking about? No. Jess was a wheeler and dealer, but he was also smart enough not to—the first legislative sting in '86 or '7, something like that—it was later than that, '88 or '89—was intended to entrap Brown. Nobody was going to catch Willie Brown doing any of those things, nor would they catch Jess Unruh doing any of those things. They knew where the law was. There are dozens of ways around the law. They did all of those things, but they never violated the law, to my knowledge. But Jess got a lot of things passed, and Willie didn't.

06-00:09:16

Henry: Because he had policy goals in mind, where Brown was more concerned about protecting power and enhancing the power of his party.

06-00:09:23

Michael: Of himself and the party.

06-00:09:28

Henry: Who was Assemblyman X, and what role did he play in the history of lobbying in Sacramento?

06-00:09:36

Michael:

Nobody ever owned up to being Assemblyman X. Assemblyman X is no doubt dead by now, but it's widely believed by insiders that Jess Unruh was Assemblyman X. A number of articles were printed in—I'm not sure where they were printed now, but I think in the *LA Times*—about the exploits of Assemblyman X, and the knotholes that he was pulled through as a legislator dealing with these moral and ethical issues. They were laid out in such clarity that there was no doubt what the issue was. [coughs] Excuse me. I don't know who Assemblyman X is, but I think it probably was Jess.

06-00:11:03

Henry:

Jess Unruh, yeah. You write in your book, quote, "It would be fair to say that 200 to 300 of the 1,200 registered lobbyists, the cream of the crop, routinely and reliably call the shots on at least 80 percent of the issues coming before the legislature, and play major roles in the outcome of decisions in other governmental or political forums, such as administrative agencies and the initiative process." Could you elaborate on this statement and what you think this means about our democratic ideals, where the people are supposedly empowered?

06-00:11:36

Michael:

Well, I'll try. Just because an interest has a lobbyist doesn't give them much power. What gives an interest power is a combination of having political money to spread around, number one, having the ability to organize and energize the grassroots, and having legislative representation. An insider who really understands the system and knows how to utilize these other political resources. You asked how many of the 1,200 lobbyists have that. There are probably twenty-five, thirty who could, in their area of interest, get just about any bill they want passed, and just about any bill they don't like killed. Mention a few of those. CTA, prison guards, law enforcement, firefighters, doctors, the plaintiffs bar, realtors, the insurance industry. You know. Lobbyists for those groups have that critical mass of political resources, and the lobbying expertise to use them. They drive the train. The more lobbyists you have who have that capability, more interest groups that have that capability, the more likely it is that you will reach lobby lock, where the legislature doesn't do anything. It is no accident, it is not a product of pique or petulance that paralyzes the legislature. The legislature is paralyzed because there are all of these interest groups with tremendous political resources vying against one another, and they're able to get what they want passed, if it doesn't conflict with another one of these interest groups that have the same capability, or to kill anything that—incidentally, also get all the money in the state budget. That's where the money goes. It doesn't go to the University of California, because the University of California doesn't have all those political resources. If they did, they'd get a piece of the pie.

06-00:15:42

Henry:

And it's your conviction that the university must be in the fight, must bolster its lobbying presence in Sacramento and be more effective if they want to have their fair share?

06-00:15:55

Michael:

I think that there will be a continuing decline in state support, unless UC becomes more politically rich.

06-00:16:14

Henry:

Less naïve about the way power works in the state.

06-00:16:17

Michael:

And you need a hard-hitting, knowledgeable lobbyist, who is both respected and feared. If you don't have that, all the money is going to the ones who do have that.

06-00:16:45

Henry:

It's interesting. California is now being looked upon by many observers as the model for good governance, with an era of bipartisanship flowering in the state, in contrast to what's happened on the national level with the dysfunction and the loggerheads that the parties are at . Do you agree that the state can be seen as a model for bipartisanship? Or is it just the fluke of the timing that we have a Democratic governor and Democratically-controlled houses in Sacramento?

06-00:17:20

Michael:

There's nothing bipartisan about the state's governance today. It's a one-party state. All the constitutional officers are one party. Not all the members, but a majority of the members of the Senate are of the same party, and strong majority of assembly are of the same party. It's not a bipartisan state at all. It is perhaps the most partisan state in the nation. It's not necessarily a good thing or a bad thing.

06-00:18:05

Henry:

It's just the reality.

06-00:18:06

Michael:

It's the way it is. If a lobbyist wants to do business right now with the state, you do business with the Democrats. If you want to get involved in elections, it would be, I think, a waste of time to put your money trying to change the partisan nature of the state. It'd be a much better investment to play in the primaries and to get more friends among Democrats. Does that mean you ignore the Republicans? No. No, you can't do that either. But you have to have a strong relationship with Democrats if you want to get anything done right now.

06-00:19:22

Henry:

California's economy changed dramatically in the post-World War II years, going from an industrial economy to one increasingly built on a post-

industrial mode involving services such as medical care and high technology. How have these changes affected the role and power of lobbyists and their makeup in state decision making?

06-00:19:44

Michael:

Of course, there's been a sea change in which interest groups have power. There was a time when, I'd say prior to 1960, when there were seven industries that pretty much held sway in the state. There's the aerospace industry, insurance, agriculture. There were a few. Now, there are at least five times that many. There are more, and it's more diverse. Power is spread among more people, more interests. One of the reasons that there's paralysis is because of this diversity.

06-00:21:06

Henry:

The dispersal of power?

06-00:21:07

Michael:

Has changed, yeah. And of course what we talked about earlier, the concentration of political resources. I think a bigger factor in nurturing change, the change in political power and the distribution of political power, has been the change in the authority of public employees to organize, strike, bargain collectively. The public employee unions pretty much own the state. I'm not sure that's going to last all that long. There are people and interests that are crying out for support, and they're starved, because all the money is going to pensions and benefits. People are very upset about it. A growing number of people are very upset about that. Not because I say; polls all show this to be true. They're not quite sure what it is. It's not until something happens like happened in the state of Wisconsin, where Scott Walker reigned in the power of public employee unions, that people become aware of where that problem lies. I see it coming in California. It's going to take another few years, but it's coming.

06-00:23:28

Henry:

It's going to be a big fight, isn't it?

06-00:23:30

Michael:

That's how it was, where it was just too big a factor. Can't be ignored.

06-00:23:37

Henry:

You've done a very good explanation, and exploration, of the evolution of lobbying in California. But we can't talk about lobbying without touching on the life and career of Artie Samish. Samish? What was his significance in history? Did you know him?

06-00:23:57

Michael:

I met Artie Samish when I was very young. My boss at the time, a fellow named Richard Carpenter, Bud Carpenter—he was executive director of the League of Cities—knew him quite well. The League of Cities legislative office was in the Senator Hotel, and Artie Samish's office was in the Senator

Hotel. I'd see him all the time in the lobby or in the bar, or coffee shop in the morning, having breakfast. He didn't spend much time talking to me. I was a kid, and he was the boss. I met him, but I can't say I knew him well. I do know what the significance was of his presence in Sacramento. He was the first to proactively go out and get legislators elected. He picked candidates and financed their campaigns. That was the genesis of the approach used by Jess Unruh, Willie Brown, every legislative leader since Artie Samish. The significance of Jess Unruh was that he took away from the third house, the lobbying community, the ability to target legislative districts, and to defeat incumbents and get his candidate in there. Because he demanded that if anyone wanted preferential treatment in the legislature, they had to give leadership contributions. Jess collected all the money, and then dispensed it all out to elect his candidates. Well, Artie Samish started that. He had the money. His clients gave him the money, and he selected candidates and got them elected. He would occasionally oppose, turn out, an incumbent. That's a very powerful message.

06-00:27:04

Henry: That sure is. Yeah.

06-00:27:07

Michael: Artie Samish did that, too.

06-00:27:11

Henry: You write about the Southern Railway era and the Artie Samish eras. Is today's era any more or less democratic than those were?

06-00:27:25

Michael: More democratic? Well. Today's era is certainly different, but I don't know that it's more democratic. You still have the state legislative equivalent of earmarks, and trailer bills, and the various other devices. It's possible for an interest group to amend the state budget without ever having a hearing. If an interest group is powerful enough, and they want something that's going to be unpopular, or they want to take money away from somebody, which is generally very hard to do, and get it for themselves, they don't have a big public hearing and air the issue. They find a covert way of getting it done. That's why the process is so important. There are all kinds of ways of going around the process, and those who have real power can do that. There's nothing democratic about that. There's always been a way to do that. You look at what happens in Congress. Same thing happens in the state, but a little different way. But earmarks. Some lobbyists representing General Electric, or Microsoft, or whomever, goes to the chairman of the Ways and Means Committee and says, "My client would like to have a tax-exempt status for this part of the business." That requires an amendment to the tax code. That's not going to get a public hearing. That becomes an earmark, a rider on a bill, and it never sees the light of day. Those things happen in the state legislature all the time. When the Democrats were in control before Newt Gingrich, there were about 7,000 earmarks a year in the federal budget. When the

Republicans took over under Gingrich, there were 40,000 earmarks a year. Those kinds of things happen at the state level, too. I regard that as corrupt. There's nothing democratic about that. They're going around the democratic processes that were set up to keep the public informed, and to notify all interested parties that something important is about to happen, and give them an opportunity to weigh in on it. That opportunity doesn't exist most of the time. We like to talk about being a democratic society, but I don't know.

06-00:31:39

Henry:

You went to work in 1976 for the California Medical Association as the chief lobbyist. What major challenges did you face during your time there, and what successes and failures did you experience?

06-00:31:56

Michael:

It was actually 1975.

06-00:31:58

Henry:

Seventy-five, okay.

06-00:32:09

Michael:

The Medical Society had just gone through a brutal battle over medical malpractice. They were able to get adopted a statute which limited liability for health providers. Very significant. There were a number of technical things in this bill. I won't go into it, but the fact is, it was a bruising battle. It caused a lot of internal conflict and realigned the way different types of doctors functioned. I won't use the word "operated." Functioned. For example, high-risk specialties, such as anesthesiology, OB/GYN, neurosurgery. Medical malpractice insurance, for those specialties, went from about \$2,000 or \$3,000 a year to \$50,000, \$60,000 a year, and no end in sight. It looked like it was going to go up more and more and more. Those doctors really wanted radical change in the medical malpractice statutes. General practitioners and pediatricians, not so much so. There was a lot of conflict and a lot of equities that were debated in that battle. The medical community mainly succeeded in getting that statute enacted. It did it without the lobbyists that they had at the time doing much to help. I don't want to make that flat statement, because they did a lot, but in the view of physicians, they didn't develop the winning strategy. They weren't the field marshal to put together the winning strategy. They didn't look at all the political resources of medicine and organize them in such a way that everything weighed in to win that. Instead, it was things like strange sit-in in the governor's office by doctors' wives, that came into the governor's office with their Gucci bags, sleeping bags. They had their hairdressers come into the office and dress their hair. They'd order gourmet food. It was weird.

Point is, I was hired into chaos. What the doctors who were in charge at the time wanted me to do was to take inventory of all of these political resources that they have, assess how they might be used better, and develop ways of winning that did not rely so much on campaign contributions. What

they wanted—but I explained to them they were not likely to have this—what they wanted was for the CMA to win on the merits on every issue. University kind of wants to win on the merits on every issue, and lots of people think that's the way we ought to win. If you can do it, that is the way to win. It's the cheapest way to win. It's the most honorable way to win. It's the one that leaves you intact, and your integrity and your honor and ethics intact. Yeah, that's the way to win. But what really happens is that the good lobbyists try to win on the merits, first, and they have to find out immediately whether they're going to be able to win it on the merits, and if they're not, they start escalating the use of resources, political resources, and keep escalating until you've found the smallest hammer to get the job done, right? That's what they wanted me to build, a structure like that. They wanted more reason and logic and predictability built into their program, and they didn't want to have to buy every issue. I kind of enjoyed setting that up.

06-00:38:18

Henry: Just like you enjoyed the university, setting up the grassroots and setting up the operation for the—

06-00:38:23

Michael: That's right. That's correct. I've built a grassroots organization that was just—I don't know how it could be any better. It was just fantastic. Of course, had a lot of cooperation and help from doctors who participated, because it wouldn't work without them participating. Medicine is fortunate in having doctors in every legislative district, of course. You can't say that about every interest group. Microsoft doesn't have a factory in every legislative district. Doctors are there in every legislative district. So we organized these political resources. I think I made a powerful group more powerful.

06-00:39:27

Henry: That's great. Looking back on your career, your many years as a lobbyist, what are you most proud of?

06-00:39:45

Michael: There are lots of bills that were passed that I think were good public policy that I had a leading role in, like the bill requiring motorcyclists to wear a helmet.

06-00:40:04

Henry: Oh, yeah? You were instrumental in that?

06-00:40:06

Michael: Oh, yeah.

06-00:40:06

Henry: Great.

06-00:40:08

Michael: And cigarette tax that used—the revenue was used for a number of purposes, one of which was healthcare for poor people. There was a bill that required

hospital admissions to ask incoming patients if they would consider donating their organs if they died, when they died. That was passed. The reservoir, the organs, doubled almost overnight. It was really important piece of legislation. I think I mentioned once the hotel tax, which I'm not too fond of taxes personally, but I think that was a reasonably fair tax. I guess—

06-00:41:34

Henry:

Protecting the autonomy of the University of California was no small achievement.

06-00:41:39

Michael:

Without any doubt in my mind, that was the hardest-fought, under the most difficult circumstances, and the best achievement of my lobbying career. The state senator who carried the bill to put it on the ballot, Albert Rodda, a wonderful human being. He was a Stanford graduate. He really believed in public education, and believed in the University of California, and he put his body on the line, as political career. The assemblyman who argued for a much more draconian change in the regents and the governance at UC, which would have been a disaster—it would have politicized UC beyond belief, destroyed the institution, I believe, if it had passed—he was so angry. He wouldn't speak to me after that for years.

[Added during editing: Another high impact issue in which I played a key role played out while with the CMA. During the heat of legislative battles combatants often sit down together and work out a brokered deal which the legislature is relieved to embrace because they are spared making hard choices. I was one of several participants central to what came to be known as the “Napkin Deal,” arguably the largest deal ever brokered in the history of California state government. It consisted of over 20 major changes in the rules governing recovery of damages in civil liability lawsuits. Since enactment in 1987 tens of billions of dollars – possibly as much as \$100 billion – were redistributed among litigants as a consequence of these changes. My clients, the physicians of California, were perhaps the greatest beneficiaries of that agreement. It was called the “Napkin Deal” because the major provisions were written on a linen napkin at Frank Fat's Chinese restaurant where the deal was struck.]

06-00:43:14

Henry:

Because you put up the competing proposal that eventually passed?

06-00:43:18

Michael:

Right. And used my personal connections with the Senate to kill his bill, leaving the Rodda bill the only game in town.

06-00:43:33

Henry:

Exactly. I see you have some notes on your pad there. I'm wondering if those are summary comments that you'd like to make. If so, could I ask you a few

personal questions before we get to them? How did you meet your wife, and when did you marry her?

06-00:43:52

Michael:

I met my wife when I was attending Chico State College, which I attended for about a year and a quarter. She was elected homecoming queen, and she didn't have a date to the homecoming dance. A mutual friend got us together, and I took her to the homecoming dance. We fell in love and have had a wonderful marriage for fifty-nine years.

06-00:44:33

Henry:

Congratulations. That's wonderful. How many children do you have, and what are they doing today?

06-00:44:38

Michael:

Have three children. Two boys, one girl. The girl is the youngest. She's the CEO of a quasi-public entity called the Fulton Avenue Association. Fulton Avenue is a commercial district in Sacramento. This district is an improvement district, and she administers the district. She's a graduate of UC Santa Barbara, undergraduate. My youngest son, Matthew, is in the property management business, mainly commercial property. He's a graduate of UC Berkeley, and went to law school. Hated law school. Despised it. And did not want to be a lawyer. I wanted him to finish law school and then do whatever he wanted, but he just refused to do it. Anyway, he's happy in what he does, and is a successful businessman. My oldest son, Jay, Jr., is also in the property management business, mainly homeowner associations, he administers. Two sons own office buildings together and rent them. They're both productive and married and have children.

06-00:46:35

Henry:

So you're a grandpa.

06-00:46:36

Michael:

I'm a grandpa. Oldest grandson just enrolled at University of Washington. Of course, I wanted him to go to Cal. He was qualified to go to Cal. He met the minimum qualifications, I should say. He had a 3.9 GPA and a 1780, I think—

06-00:47:06

Henry:

SAT. Goodnight.

06-00:47:07

Michael:

SAT.

06-00:47:08

Henry:

He's a bright kid.

06-00:47:09

Michael:

He's a good kid, smart kid. But the University of Washington recruited him to row. He's on crew. University of Washington. He's 6'5" and weighs 195 pounds. He's perfect as an oarsman.

06-00:47:27

Henry: He is.

06-00:47:30

Michael: I wish that Cal had recruited him, but they didn't.

06-00:47:38

Henry: At Washington, the rowing team is really important.

06-00:47:41

Michael: Yeah, they are. Rowing team at Cal is kind of a sideshow. But in Washington, it's a big deal.

06-00:47:48

Henry: Exactly. Well, do you have any summary comments about the six hours we spent together? Any subjects that you would like to have gotten into?

06-00:47:56

Michael: You've done such a good job, Neil, of asking questions that I think we've covered pretty much everything. We did talk about what options are open to UC. I'm sure there are other options, but I can't think of them. I really believe in the institution and hope that the powers that be put it together and become competitive with the major interests who are vying for all the state money. That's the problem, right, in a nutshell, is that there are other major interests in this state vying for the tax dollar, and they have the political resources to get their way. UC has some serious political resources, but has not really organized them so that they could be used in a maximum way.

06-00:49:23

Henry: I thought your vision was pretty brilliant in seeing the grassroots organization that you were building on behalf of the lobbying in Sacramento, seeing that every district has a UC graduate, or somehow is affected by UC for the good. If you could harness that, it could be a very effective instrument for support.

06-00:49:44

Michael: I believe that to be true. UC alumni do not have their future at stake in the same way that, say, a doctor has his future at stake. Legislature regulates doctors, and they fund—one of the chief competitors for money is doctors, for Medicaid programs, and children's health services, and workers' compensation, and disability. These are very, very costly programs. When I was lobbying for doctors, I was taking money away from UC. I was very much aware of that. I didn't like that, but that's the way it was. And so are all these other, the prison guards and the—

06-00:51:01

Henry: The Teachers Association.

06-00:51:02

Michael: Teachers and sheriffs and all that. They all have more political muscle than UC, and so long as that's true, UC's not going to get the money.

06-00:51:16

Henry: UC can't afford to be goo-goos anymore.

06-00:51:19

Michael: No. Exactly.

06-00:51:23

Henry: Thank you, Jay. This has been a real pleasure.

06-00:51:24

Michael: My pleasure.

06-00:51:25

Henry: Thank you very much.

06-00:51:26

Michael: Enjoyed it.

[End of Interview]