



to section 100, and is awaiting a response from the Fair Political Practices Commission regarding the proposed changes to section 51000.

LEGISLATION

AB 64 (Mountjoy), as amended March 3, would prohibit any regulation adopted, amended, or repealed by a state agency, as defined, pursuant to the APA from taking effect unless and until the legislature approves the regulation by statute within 90 days of its adoption, amendment, or repeal by the state agency. [A. CPGE&ED]

SCA 6 (Leonard), as amended February 16, would authorize the legislature to repeal state agency regulations, in whole or in part, by the adoption of a concurrent resolution. SCA 6, which would not be applicable to specified state agencies, would require the concurrent resolution to specify the regulation to be repealed or specific references to be made, as indicated, and would subject those resolutions to the same procedural rules as those required of bills. The measure would also require every regulation to include a citation to the statute or constitutional provision being interpreted, carried out, or otherwise made more specific by the regulation. [S. Rls]

AB 633 (Conroy), as amended April 12, would require the California Environmental Protection Agency to establish a moratorium on the adoption of any new or proposed regulations until January 1, 1995; require that agency to examine the effect on the economy of all regulations adopted since January 1, 1992, if any; and require the agency to identify all regulations that are more stringent than required under federal law, and permit the agency to revise a regulation to make it less stringent than under federal law without the approval of OAL. [A. CPGE&ED]

AB 1807 (Bronshvag), as amended September 8, would authorize regulatory agencies within the Department of Consumer Affairs to provide required written notices, including rulemaking notices, orders, or documents served under the APA, by regular mail. [A. Inactive File]

BUREAU OF STATE AUDITS

State Auditor: Kurt Sjoberg
(916) 445-0255

Created by SB 37 (Maddy) (Chapter 12, Statutes of 1993), the Bureau of State Audits (BSA) is an auditing and investigative agency under the direction of the Commission on California State Gov-

ernment Organization and Economy (Little Hoover Commission). SB 37 delegated to BSA most of the duties previously performed by the Office of Auditor General, such as examining and reporting annually upon the financial statements prepared by the executive branch of the state, performing other related assignments (such as performance audits) that are mandated by statute, and administering the Reporting of Improper Governmental Activities Act, Government Code section 10540 *et seq.* BSA is also required to conduct audits of state and local government requested by the Joint Legislative Audit Committee (JLAC) to the extent that funding is available. BSA is headed by the State Auditor, appointed by the Governor to a four-year term from a list of three qualified individuals submitted by JLAC.

The Little Hoover Commission reviews reports completed by the Bureau and makes recommendations to the legislature, the Governor, and the public concerning the operations of the state, its departments, subdivisions, agencies, and other public entities; oversees the activities of BSA to ensure its compliance with specified statutes; and reviews the annual audit of the State Audit Fund created by SB 37.

MAJOR PROJECTS

BSA Reviews Implementation of Hazardous Waste Provisions. On December 1, BSA released a report entitled *Review of the California Department of Toxic Substances Control's Implementation of the Hazardous Waste Source Reduction and Management Review Act of 1989*. According to BSA, the Act was structured as an innovative, self-regulatory approach to reduce the generation of hazardous waste in California. Generators which, by site, routinely generate through ongoing process and operations more than 12,000 kilograms (13.2 tons) of hazardous waste during a calendar year, or more than 12 kilograms (26 pounds) of extremely hazardous waste during a calendar year, are subject to the Act, which requires that each generator periodically prepare a Source Reduction Evaluation Review and Plan and accompanying Source Reduction Evaluation Review and Plan Summary, and a Hazardous Waste Management Performance Report and accompanying Hazardous Waste Management Performance Report Summary. The California Department of Toxic Substances Control's primary responsibilities in carrying out the Act include promulgating regulations to carry out the Act; providing technical assistance to generators who are subject to the Act; and reviewing source reduction documents prepared by generators.

BSA's audit indicates that the Act is accomplishing its intended purpose for those who are complying with the Act. However, the Department needs to improve its implementation of the Act in the following areas:

- A high priority should be given by the Department to developing an initial master list of generators potentially subject to the Act. Then the Department should develop an effective program which assures that all identified generators are fully informed of the Act's requirements. According to BSA, this technical assistance program would also encourage generators to fulfill the Act's requirements.

- The Department should streamline the process used for requesting and reviewing generator documents, request source reduction documents from a broader range of generators, significantly increase the number of reviews performed of these documents, and require submittal of revised documents on a timely basis when documents are determined not to be in compliance with the Act's requirements.

- The Department should establish an information system to support the effective and efficient implementation of the Act in these and other areas.

BSA Continues Review of Drug Treatment Authorization Requests. On October 5, BSA released the fifth in a series of semiannual reports concerning how the Department of Health Services (DHS) processes reimbursement requests for certain prescribed drugs under the Medi-Cal program; these reports review DHS' process for counting and compiling data on drug treatment authorization requests (TARs) received and processed from June 1990 through May 1993. [12:4 CRLR 36; 12:2&3 CRLR 44; 11:4 CRLR 48; 11:2 CRLR 45]

BSA noted that DHS received approximately 211,400 drug TARs from June 1992 through May 1993, representing an increase of more than 29% since June 1990 through May 1991; according to BSA, the increase in the number of drug TARs received may have occurred partly because of a 39% increase since June 1990 in the number of Medi-Cal beneficiaries eligible to obtain drugs through Medi-Cal. BSA noted that from June 1992 through May 1993, DHS processed approximately 33% more drug TARs than it did during June 1990 through May 1991; DHS' monthly backlog of drug TARs received by mail had increased to approximately 5,000 in May 1993, compared to 2,900 at the end of May 1991; during June 1992 through May 1993, DHS' average time for processing mailed drug TARs exceeded the five working days required by state



law; and in May 1993, it took DHS an average of 16 days to process mailed-in drug TARs.

BSA also sampled drug TARs received by fax and DHS' audio response telephone system to determine if DHS was processing these TARs within 24 hours of receipt, as required by federal law. Based on a sample of drug TARs received during May 1993, BSA found DHS to be in compliance with the 24-hour requirement.

BSA Releases California's 1991-92 Financial Report. On December 28, BSA released the state's 1991-92 financial report, including a financial section with the state's general purpose financial statements presented on a basis in conformity with generally accepted accounting principles and a statistical section with labor, income, and population statistics. BSA's financial statements indicate that the state's general fund spent approximately \$3.3 billion more than it generated in revenues for fiscal year 1991-92, and ended the fiscal year with a fund deficit of \$3.8 billion.

BSA Releases Statement of Securities Accountability. On October 7, BSA released its financial audit report of the state Treasurer's Office Statement of Securities Accountability as of June 30, 1992; the Statement presents the securities owned by or pledged to the state directly or under investment agreements and securities held for safekeeping. The state Treasurer's Office is responsible for the safekeeping of all securities owned by or pledged to the University of California, and for securities in other depositories owned by or pledged to the Public Employees' Retirement System, the State Teachers' Retirement System, the Legislators' Retirement System, and the Judges' Retirement System. For the Statement of Securities Accountability, BSA explained that the Treasurer's Office assigns dollar amounts to each security for ease of accountability rather than for purposes of valuing securities to cost or market; the dollar amounts assigned represent the par or face value, the original face value, the original principal value, the current outstanding principal balance, or a nominal value of \$1 per certificate or note. Therefore, BSA noted that the dollar amounts presented in the Statement should not be used to determine the value of investments of, or pledged to, to the state. BSA concluded that the statement presents fairly the securities accountability of the Treasurer's Office as of June 30, 1992.

COMMISSION ON CALIFORNIA STATE GOVERNMENT ORGANIZATION AND ECONOMY (LITTLE HOOVER COMMISSION)

Executive Director:

Jeannine L. English

*Chairperson: Nathan Shapell
(916) 445-2125*

The Little Hoover Commission (LHC) was created by the legislature in 1961 and became operational in the spring of 1962. (Government Code sections 8501 *et seq.*) Although considered to be within the executive branch of state government for budgetary purposes, the law states that "the Commission shall not be subject to the control or direction of any officer or employee of the executive branch except in connection with the appropriation of funds approved by the Legislature." (Government Code section 8502.)

Statute provides that no more than seven of the thirteen members of the Commission may be from the same political party. The Governor appoints five citizen members, and the legislature appoints four citizen members. The balance of the membership is comprised of two Senators and two Assemblymembers.

This unique formulation enables the Commission to be California's only truly independent watchdog agency. However, in spite of its statutory independence, the Commission remains a purely advisory entity only empowered to make recommendations.

The purpose and duties of the Commission are set forth in Government Code section 8521. The Code states: "It is the purpose of the Legislature in creating the Commission, to secure assistance for the Governor and itself in promoting economy, efficiency and improved service in the transaction of the public business in the various departments, agencies, and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies, and instrumentalities and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives...."

The Commission seeks to achieve these ends by conducting studies and making recommendations as to the adoption of methods and procedures to reduce government expenditures, the elimination of functional and service duplication, the ab-

olition of unnecessary services, programs and functions, the definition or redefinition of public officials' duties and responsibilities, and the reorganization and restructuring of state entities and programs. The Commission holds hearings about once a month on topics that come to its attention from citizens, legislators, and other sources.

On October 20, Governor Wilson appointed Carl Covitz, former Secretary of the California Business, Transportation and Housing Agency, to the Little Hoover Commission. Covitz, of Los Angeles, returns to state government after resigning his post in December 1992 while under investigation for the alleged misuse of his office.

In December, the Governor reappointed Angie Papadakis of Rancho Palos Verdes to the Commission. Papadakis owns an advertising business and has been a member of the LHC since 1990.

MAJOR PROJECTS

The Little Hoover Commission released no reports between September 24-December 31, 1993.

DEPARTMENT OF CONSUMER AFFAIRS

Director: Jim Conran

(916) 445-4465

Consumer Infoline:

(800) 344-9940

Infoline for the Speech/Hearing Impaired: (916) 322-1700

The Department of Consumer Affairs (DCA) oversees the activities of 37 administrative agencies which regulate 180 diverse professions, occupations, and industries. The primary function of DCA and its constituent agencies is to protect consumers from incompetent, dishonest, or impaired practitioners.

Most of the multi-member boards under DCA's jurisdiction are relatively autonomous of DCA control. However, the DCA Director is authorized to review and reject regulatory changes proposed by all DCA agencies; only a unanimous vote of the agency's board will override the Director's rejection. Additionally, the Department may intervene in matters regarding its boards if probable cause exists to believe that the conduct or activity of a board, its members, or its employees constitutes a violation of criminal law.

DCA maintains several divisions and units which provide support services to its constituent agencies, including a Legal