



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 or 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