



## LEGISLATION:

*SB 1132 (Maddy)*. Existing law requires the Auditor General to complete his/her audits in accordance with the "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" issued by the Comptroller General of the United States. As introduced March 8, this bill would require the Auditor General to complete the audits in accordance with the "Government Auditing Standards" issued by the Comptroller of the United States. This bill is pending in the Senate Rules Committee.

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

*Executive Director:*  
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The Little Hoover Commission 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 abolition 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.

## MAJOR PROJECTS:

*The Snail's Pace of Reforming Residential Care Facilities for the Elderly* (February 1991). This letter report is part of the Commission's long-term investigation into the quality of facilities that provide care for California's elderly. The Commission's related reports on facilities for the elderly include: *Community Residential Care in California: Community Care as a Long-Term Service* (December 1983); an untitled letter review in February 1985; and *Report on Community Residential Care for the Elderly* (January 1989). This letter report is designed to assess the changes that have been made in response to previous Commission reports and recommend a future course of action.

Residential care facilities (RCFs), also known as board and care facilities, provide a safe residence for the elderly and some assistance with meals and grooming. The California Department of Social Services (DSS) currently licenses 4,073 RCFs with a capacity to care for 93,601 elderly residents.

Since its 1983 report, the Commission has sponsored thirty bills to improve the licensing and monitoring of RCFs (all of which are detailed in the letter report). Some of these bills prohibit the operation of unlicensed facilities and require placement agencies to use only licensed facilities. Fines and other enforcement mechanisms were strengthened under several of the laws; others provide for better education and training of the people who operate residential

care facilities. Still other laws require disclosure of more information to consumers regarding their right of access to RCF records and available protections for residents.

The Commission based its February 1991 report on public hearings and interviews with advocates for the elderly, DSS staff, and other experts. The report found that, in most cases, the current laws regulating RCFs are adequate, but significant problems exist in two areas. First, DSS has not designed or implemented regulations to permit enforcement of the RCF statutes. The report cited cases where DSS adoption of implementing regulations has taken more than five years after a bill was signed into law. In two instances, new laws were passed before older laws on the same issue were ever implemented. The report recommends that DSS place top priority on completing regulations to implement all RCF laws and report to the Governor and legislature on January 1, 1992 on the status of these regulations.

The second significant problem cited in the report is the failure of DSS to eliminate unsafe, substandard, and unlicensed RCFs. The report referred to the Commission's 1983 and 1989 reports which cited the same problem of unlicensed facilities. Calling the DSS response "painfully slow," the 1991 report found little evidence of DSS commitment to resolving the problem of unsafe, unlicensed facilities. The report recommended that DSS track its current efforts against unlicensed facilities and report the results to the Governor and the legislature by January 1, 1992.

*Recent Hearing.* On January 23, the Commission held a hearing on the status of women in state-regulated apprenticeship training programs. Specifically, the Commission considered the efforts of the Department of Industrial Relations' Division of Apprenticeship Standards toward fulfilling its mandate to bring women into nontraditional jobs. Commission staff estimates that the report on this hearing will be completed in May 1991.

*Education Report.* The Commission plans to complete a report focusing on educational dropouts in May 1991. This report will be based partially on a public hearing held before the Commission on this subject on November 15, 1990.

*Future Hearings.* The Commission had scheduled two public hearings on affordable housing—one on April 25 and one on June 27. Funds for studying this topic had been provided by AB 2895 (Roberti) (Chapter 1423, Statutes of 1988). However, Governor Wilson has



frozen these funds. Thus, the Commission has postponed these hearings subject to reactivation of the funds. Instead, the Commission scheduled an April 25 public hearing on the coordination of drug education. On May 23 and June 27, the Commission is scheduled to hold hearings on the state's government reorganization plan.

## DEPARTMENT OF CONSUMER AFFAIRS

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In addition to its functions relating to its 38 boards, bureaus, and commissions, the Department of Consumer Affairs (DCA) is charged with carrying out the Consumer Affairs Act of 1970. The Department educates consumers, assists them in complaint mediation, advocates their interests before the legislature, and represents them before the state's administrative agencies and courts.

On March 13, Governor Wilson named James Conran, a Pacific Bell executive from the San Francisco Bay area, to serve as DCA's Director. Conran, who is DCA's tenth director since 1970, formerly served as Manager for Consumer Affairs and Public Issues at Pacific Bell, and also sat on the Public Utilities Commission's Telecommunications Education Trust Fund.

## MAJOR PROJECTS:

*Annual Report Released.* On March 4, DCA released its 1989-90 Annual Report, which covers fiscal year July 1, 1989 to June 30, 1990. The report contains summaries of the activities of each of the Department's various units; a brief report about each of the 38 boards, bureaus, and commissions under DCA's supervision; Department statistics; a list of licensed businesses and professions; and toll-free numbers of various California state agencies.

*Vehicle Arbitration Program Expands.* DCA has expanded California's first state-approved vehicle arbitration program to include Maserati, Sterling Motor Car, Peugeot, and Range Rover as participating automobile manufacturers. Applications from Chrysler and Rolls-Royce Motor Cars are currently pending with the Department. Auto manufacturers certified by the program now comprise 66% of the U.S. car market. (See

CRLR Vol. 11, No. 1 (Winter 1991) p. 43 for background information.)

## LEGISLATION:

*AB 168 (Eastin)* would create the Board of Legal Technicians in DCA, and would require every person who practices as a legal technician to be licensed or registered by the Board, which would determine which areas require licensure and which require registration. This bill would also amend existing law to provide that no person may advertise or hold himself/herself out as entitled to appear, on behalf of another, before any court or tribunal of this state unless that person is authorized to so appear pursuant to a rule adopted by the court or tribunal or pursuant to law. (See CRLR Vol. 11, No. 1 (Winter 1991) pp. 43-44 and 149 and Vol. 10, No. 4 (Fall 1990) pp. 42 and 185 for background information.) This bill is pending in the Assembly Committee on Consumer Protection, Governmental Efficiency and Economic Development.

*AB 1893 (Lancaster)*, as introduced March 8, is DCA's omnibus bill which would make numerous changes to existing laws providing for the licensing and regulation of various businesses and professions pursuant to the provisions of the Business and Professions Code. Among other things, this bill would authorize various licensing boards to release a social security number to an examination or licensing entity, only for the purpose of verification of licensure or examination status; require the retention of records by certain persons contracting with the DCA or any board within the Department until an audit may be performed; revise existing law with respect to submission to the DCA of rules and regulations and fee changes promulgated by any of the boards or committees within the Department; and revise the definition of the term "license" for purposes of licensing provisions to include the performance of any activity or function in connection with a business or profession whose activity is regulated pursuant to those provisions. This bill, which is sponsored by DCA, is pending in the Assembly Consumer Protection Committee.

*AB 1382 (Lancaster)*. Business and Professions Code section 143 currently prohibits a person who engages in any business for which a license is required under the Business and Professions Code from bringing an action for compensation for performance of any act for which a license is required without alleging and proving that he/she was licensed during the time of the performance of the act. Existing law also prohibits applica-

tion of the judicial doctrine of substantial compliance in these circumstances. As introduced March 7, this bill would delete the prohibition on the application of the judicial doctrine of substantial compliance in these circumstances. This bill is pending in the Assembly Consumer Protection Committee.

*SB 961 (Boatwright)*. Existing law provides that the decisions of any of the boards within DCA with respect to setting standards, conducting examinations, passing candidates, and revoking licenses are final, except as specified, and are not subject to review by DCA's Director. As introduced March 8, this bill would create exceptions to this law by providing that the Director may initiate an investigation of any allegations of misconduct in the preparation, administration, or scoring of an examination which is administered by a board, or in the review of qualifications which are a part of the licensing process of any board. The bill would also allow the Director to intervene in any matter of any board where an investigation by DCA's Division of Investigation discloses probable cause to believe that the conduct or activity of a board, or its members or employees, constitutes a violation of criminal law. This bill is pending in the Senate Business and Professions Committee.

## OFFICE OF THE LEGISLATIVE ANALYST

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Created in 1941, the Legislative Analyst's Office (LAO) is responsible for providing analysis and nonpartisan advice on fiscal and policy issues to the California legislature. LAO meets this duty through four primary functions. First, the office prepares a detailed, written analysis of the Governor's budget each year. This analysis, which contains recommendations for program reductions, augmentations, legislative revisions, and organizational changes, serves as an agenda for legislative review of the budget.

Second, LAO produces a companion document to the annual budget analysis which paints the overall expenditure and revenue picture of the state for the coming year. This document also identifies and analyzes a number of emerging policy issues confronting the legislature, and suggests policy options for addressing those issues.

Third, the Office analyzes, for the Assembly Ways and Means Committee and the Senate Appropriations and