procurement process which ensures that the state receives the products for which it contracts and provides all vendors an equal opportunity to bid.

Report No. P-876 (March 1990) is a review of the Office of Statewide Health Planning and Development's (OSHPD) procedures for ensuring that health facilities meet seismic safety standards under the Alfred E. Alquist Hospital Facilities Safety Act (Act) of 1983. The Act requires that health facilities be designed and constructed so they are able to resist the forces of winds, gravity, and earthquakes. The Act designates OSHPD as the state agency responsible for implementing the provisions of the Act. OSHPD reviews construction plans for health facilities and monitors construction so that facilities are designed and constructed in accordance with the State Building Standards Code (building standards).

The report found that OSHPD staff do not ensure that resident inspectors are qualified to inspect construction; construction projects may not be adequately inspected; and OSHPD does not consistently use its authority to deter officials of health facilities from beginning construction without approval. Also, OSHPD still has not met its goal for completing initial reviews of construction plans. It has, however, recently implemented a number of measures to expedite its reviews. OAG recommended the establishment of specific goals and formal policies to ensure that health facilities' construction plans are reviewed promptly and that the construction work complies with the building standards.

Report No. P-843 (April 1990), OAG's review of the Department of Food and Agriculture's (CDFA) management of its milk marketing program, found few weaknesses. CDFA has a good enforcement record against unlawful trade practices. The Department investigated all complaints that it received; when it confirmed violations, it ensured that nearly all violators took corrective action.

One area within the program which needs improvement involves the prime interest rate that CDFA's staff used to calculate the allowances for returns on investment for processors of butter, nonfat dry milk (powder), and cheese. CDFA defines an allowance for return on investment as how much money processors could earn if they invested their capital elsewhere at an investment of equal risk. The report found that the Department used inappropriate rates and overstated processors' allowances for returns on investments. Therefore, in the summer of 1989, the Department may have established a slightly higher manufacturing allowance than it otherwise would have. As a result of this audit, CDFA adopted a policy requiring its staff to calculate the allowances for returns on investment using a weighted average prime interest rate which corresponds with the time period studied.

Report No. P-872 (April 1990) audits the state program which provides financial assistance to homeless families. County welfare departments (counties) and the Department of Social Services Department (Department) are responsible for administering these funds. Homeless families are those which lack a regular nighttime residence designed as a regular sleeping accommodation for humans. The Department is responsible for overseeing the counties' direct implementation of the homeless assistance program. Counties administer funds to homeless families to acquire both temporary and permanent shelter. A family is eligible to receive a cycle of homeless assistance payments only once within a twelve-month period.

The report found evidence of widespread fraud and abuse in this $90 million-per-year program. State and county administrators of the program are paying out aid to ineligible recipients, not checking carefully to prevent fraud, and failing to initiate prosecution of those caught cheating the program. The report recommended that investigation and possible prosecution of cheaters be made a priority.

Report No. P-872 (April 1990) concerns the Department of Social Services' (Department) administration of the Child Support Enforcement Program under which counties are given "incentive payments" for locating absent parents, establishing paternity, and obtaining and enforcing court-ordered child support payments. The incentive payments reimburse the counties for their costs of administering the Program; any excess revenue must be used to support the child support enforcement activities of the county's district attorney.

OAG's report focuses on DSS' need to ensure that counties properly calculate their excess revenue and establish a reserve account to restrict the use of that excess revenue solely for child support enforcement activities. The audit found that some counties are not properly calculating their excess revenues and are not restricting the use of their excess revenues. The audit recommends that the state specify the type of revenues and expenditures which should be used in the calculation of excess revenue, and that the state require counties to establish reserve accounts to restrict the use of their excess revenue. In addition, the Department should periodically review the counties to ensure that they properly calculate and restrict their revenue.

Other Reports. Also during the past few months, OAG has released the following reports: *A Financial Review of the City of Imperial Beach* (Report No. C-959, March 1990); *A Review of Personnel Practices at the Military Department: Some Practices for State Active Duty Employees Need Improvement* (Report No. P- 822, April 1990); *The California Museum of Science and Industry Needs to Modify Its Agreement with Its Foundation and Improve Management Controls* (Report No. P-939, April 1990); and *A Review of the State's Administration of the State Legalization Impact Assistance Grants* (Report No. F-944, May 1990).

LEGISLATION:

AB 4022 (Cortese). Existing law provides for the establishment of a pension plan for boxers, which is funded by boxers, managers, and promoters. AB 4022 would have required the Auditor General to calculate the number of boxers receiving benefits under that pension plan, and make a comparison with the number of persons contributing to the fund. The required report would also have included an assessment of the overall financial condition of the plan. This bill was dropped by its author, but Assemblymember Cortese has officially requested that OAG undertake the study.

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

Executive Director: Jeannine L. English
Chairperson: Nathan Shapell
(916) 445-2125

INTRODUCTION:

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.

Recently, the Governor appointed Barbara S. Stone of Whittier and Richard R. Terzian of Los Angeles as members of the Little Hoover Commission.

MAJOR PROJECTS:

K-12 Education in California: A Look at Some Policy Issues (February 1990). The Commission began its study on K-12 education in California in January 1989. The Commission focused on the effectiveness of the state's education governance structure, the equity and effectiveness of funding categorical programs, the potential reorganization of districts, the potential regionalization of services delivery, and the efficiency of the state's method for reporting average daily attendance.

The purpose of the Commission's study was to identify major issues related to K-12 education and make recommendations in areas that are in need of improvement. As part of its study, the Commission held two public hearings on K-12 education in California. In addition to the hearings, Commission staff interviewed numerous individuals involved in state and local government in California, as well as individuals from eleven other states. Also, Commission staff reviewed volumes of publications related to K-12 education in California and nationally, and performed an extensive analysis of the state laws pertinent to education in the state.

In California, the K-12 education system serves over five million students and is funded by approximately $23.4 billion from state, local, and federal governments. Of this total, the state provides approximately $15.81 billion (67.6%); local funding accounts for about $5.84 billion (25.0%); and the federal government contributes the remaining $1.75 billion (7.4%).

California's public education system is administered at the state level by the Department of Education, under the direction of the State Board of Education and the Superintendent of Public Instruction. The eleven members of the State Board of Education are appointed by the Governor with the advice and consent of two-thirds of the Senate. Ten of these members serve four-year terms, and one, a student member, serves a one-year term. The Superintendent of Public Instruction is a constitutional officer who is elected every four years in the November general election.

The Commission's first finding is that the state's governance structure for education is not operating as statutorily intended. Contrary to the applicable legal description, the Superintendent of Public Instruction is not operating at the direction of the State Board of Education. Education Code section 33111 states that "the Superintendent shall execute, under direction of the State Board of Education, the policies which have been decided upon by the Board and shall direct, under general rules and regulations adopted by the State Board of Education, the work of all appointees and employees of the Board." The Commission determined that the legislature has clearly indicated its intent that the Board have superior authority over the Superintendent. Further, the Commission finds support for this finding in two applicable state Attorney General opinions, which concluded that the Board has greater authority than the Superintendent.

However, according to the report, the current president of the Board claims that there are severe problems in the working relationship between the Superintendent and the Board, and stated that the Superintendent "is able to undertake a variety of programmatic, fiscal and legislative policy initiatives without Board involvement or approval." The Board's president offered as an example the Superintendent's recent sponsorship of Proposition 98, the landmark initiative which guaranteed a minimum level of funding for education in California. According to the President, the Board did not actively support this initiative.

The Commission uncovered a number of factors that may contribute to the power struggle between the Board and the Superintendent. First, the fact that the Superintendent is an elected constitutional officer who draws a full-time salary, while Board members are only part-time and appointed by the Governor, creates an inherent flaw in the relationship between the two entities and directly affects the Board's ability to direct the Superintendent's actions.

Also, the Board, which is the policy-making body for K-12 education, lacks approval authority for the education budget, and also lacks control of its own budget. Instead, both budgets are controlled by the Department of Education and, implicitly, by the Superintendent. The Board also lacks the power to remove the Superintendent if he/she refuses or fails to execute his/her duties.

In order to reduce the existing ambiguity regarding the relationship between the Board and Superintendent, the Commission recommended that the legislature amend the Education Code so that approval authority for the state's proposed education budget is given specifically to the Board. Such an amendment should clarify that the Board's authority is superior to the authority of the Department of Education over the proposed budget for the Board's activities as well as the activities of the Department. Further, it should be made clear that the Board is responsible for establishing and administering the proposed budget for its own activities, and the Department is still responsible for establishing and administering the budget for all other education activities at the state level.

The Commission next found that the

Department of Education may be circumventing the state's regulatory process through the use of policy guidelines, instead of adhering to the formal regulatory process required by the Administrative Procedure Act (APA). If these guidelines are determined to be in the nature of regulations, then local educational agencies will have been forced to comply with the Department's interpretations of state law without the benefit of public input and the legal scrutiny of the state's primary agency responsible for approving administrative regulations, the Office of Administrative Law (OAL).

In administering the state's policies on K-12 education, the Department has always issued to local government agencies guidelines relating to various procedures, programs, and issues. During fiscal year 1988-89, the Department issued more than 170 various advisories, memoranda, and bulletins. The Department cites Education Code sections as authorizing it to transmit such communication devices without following APA requirements. However, the report noted that many of the "guidelines" issued by the Department have the appearance and effect of regulations; therefore, adoption pursuant to the APA is required.

As a recommendation on this issue, the Commission stated that the State Attorney General should file an action to prevent further violations of the APA by the Superintendent and require the Superintendent to adopt regulations only after public hearings following by OAL review. Any ambiguities in provisions of existing law should be eliminated, and the Board and/or the Department should be subject to a reduction in its administrative budget(s) if OAL determines that underground regulations are being generated.

The third issue addressed by the Commission is that the state's system of funding categorical programs is neither effective nor efficient. In attempting to provide earmarked funding for programs designed to meet special educational needs, the state has created an extremely complex system that recognizes 80 different categorical programs but does not link all program funding to identified needs and performance indicators. Also, the state's system of categorical funding does not allow for efficient coordination of all appropriate funds at the local level. The proliferation of specially funded programs has resulted in a duplication of services, curriculum fragmentation, and ineffective delivery of services.

The Commission recommended that the legislature enact laws encouraging the coordination of categorical funding at the local level by allowing the inclusion of many more existing categorical programs under the School-Based Program Coordination Act. To guarantee that categorical funding is going to those districts and students that have special needs, particularly when the needs shift from district to district, the Commission recommends that legislation be enacted to base all appropriate funding on indicators of need. To the extent possible, such indicators should be found in district demographics that are updated annually by the district and analyzed annually by the Department of Education.

The Commission then noted that the categorical program "sunset laws" have not been working as statutorily intended. Despite the statutory elimination of specific program requirements for certain categorical programs, the Department of Education has imposed similar, if not more stringent, requirements on schools for the operation of the programs. The Department issued the requirements as guidelines to ensure that program goals are met. However, contrary to legislative intent, schools are denied flexibility in achieving the programs' original objectives. Consequently, the Department stifles the creativity and efficiency of local education agencies in accomplishing the initial objectives of the programs that were sunsetted.

To ensure that the statutory intent of the sunset laws is carried out and to encourage creativity and efficiency in the local education agencies' accomplishment of the initial objectives of categorical programs which have been sunsetted, the Commission recommended that the sunset laws be amended to explicitly prohibit the Department of Education from restricting the local education agencies' flexibility in meeting the general purpose of the state's original program laws and federal statutes.

The Commission's next finding revealed that the reorganization of some school districts must be considered. Recent data have indicated that there are potential efficiencies to be realized through the consolidation of some extremely small districts and the breakup of some extremely large districts. The Commission recommended that the legislature fund a study of the feasibility of increased consolidation of school districts.

The Commission next noted that the organization of offices of education by county boundary is inefficient and does not maximize service delivery. Many county offices of education are unable to realize the efficiencies available through a greater coordination of district efforts, and the services delivery in those districts is not maximized. The Commission recommended that the legislature review the activities of county offices of education and existing cooperative arrangements between districts and/or county offices of education. If further regionalization is feasible, fiscal and other incentives for the implementation of such regionalized services should be formulated.

Finally, the Commission noted that the state's system for reporting attendance is inefficient and does not encourage attendance. The present attendance system requires schools to invest much time and effort in accounting for students who are not actually attending. Further, the current system encourages schools to classify questionable absences as excused absences; otherwise, the schools will suffer a potential loss in revenue.

The Commission recommended that the legislature revise the current attendance accounting procedures. The new system should base the calculation of average daily attendance on actual attendance and a one-time modification of base revenue limits for the purpose of determining base revenue limits only, and actual attendance plus a factor representing each district's base-year rate of apportionable excused absences for all other purposes, thereby eliminating the current verification of absence process for apportionment purposes. Finally, the legislation should encourage school districts and county offices of education to develop and implement strategies and activities which emphasize the importance of school attendance and encourage pupils to attend school regularly.

Runaway/Homeless Youths: California's Efforts to Recycle Society's Throwaways (April 1990) evaluates the efforts of two runaway/homeless youth projects currently operating in San Francisco and Los Angeles. AB 1596 (Chapter 1445, Statutes of 1985), the Homeless Youth Act of 1985, established these programs as pilot projects designed to create a network of youth services agencies. SB 508 (Chapter 288, Statutes of 1988) extended the Act permanently.

As background information, the report noted that experts estimate there to be 20,000-25,000 homeless children in the state on any given day. Many of these children are products of abuse, neglect, and extremely poor home environments. A 1988 report of the Los Angeles County Task Force on Runaways and Homeless Youth stated

that of the 25% of runaway/homeless youths who end up as hard-core homeless street kids, three-quarters of them engage in some type of criminal activity and half in prostitution to provide themselves with a means of support.

The two runaway/homeless youth projects evaluated by the Commission consist of networks of existing youth service agencies, with state funds used primarily to enhance and interweave existing services, making them more efficient and more effective. The emphasis in both projects is on case management, with youths receiving a broad range of services such as shelter, medical care, food, counseling, and long-term coordination of care.

The report stated that the San Francisco and Los Angeles projects are working well and efficiently. Despite their success, however, the state's runaway youths still have unmet needs, such as sufficient shelter capacity and counseling facilities.

The report also found that runaway youths face gaps in services that are critical if they are to be weaned from the streets. In particular, alcohol and drug detoxification and transitional and long-term housing are two types of necessary services that are almost impossible for youths to obtain.

Also, the report noted that the probation system does not appear to be the appropriate mechanism for handling runaway/homeless youths who have committed no crime. County probation departments throughout the state have set up foster care placement programs, many of which never received adequate funding. As a result, youths were neither compelled to stay where they were placed nor enticed to stay by services or counseling.

In response to the findings discussed above, the Little Hoover Commission recommended that the Governor and the legislature take the following steps:

-appropriate funds to support runaway/homeless youth programs based on the San Francisco/Los Angeles model in Santa Clara and San Diego counties;

-appropriate additional funds to Los Angeles County and San Francisco for the specific purpose of developing shelters and other services outside of the Hollywood and downtown San Francisco areas;

-appropriate funds for runaway-/homeless youth demonstration projects in a limited number of rural regions, to be determined through a request for proposal process under the Office of Criminal Justice Planning;

-direct the Department of Alcohol and Drug Programs to target runaway/homeless youths with drug problems and appropriate funds through the Office of Criminal Justice Planning, to existing runaway/homeless youth projects for detoxification program components; and

-direct the Department of Social Services, the Office of Criminal Justice Planning, and the California Youth Authority to institute a review of the framework under which runaway/homeless youth are handled, specifically with an eye toward moving the responsibility for this population from the probation department to social service agencies.

The Public Employment Relations Board (PERB): Costly, Slow and Unsure (April 1990) reviews the efficiency, productivity and effectiveness of PERB, the five-member board which interprets and enforces the Education Employment Relations Act, the State Employer-Employee Relations Act, and the Higher Education Employer-Employee Relations Act (Acts). These Acts achieve their stated purposes by granting to public employees the right to "form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations," while also protecting the employees' right to refuse to join or participate in the activities of the employee organizations and to represent themselves individually in relation to their employers.

After reviewing documentary evidence and conducting both public hearings and interviews on PERB, the Commission initially found that PERB takes too long to issue its decisions. The report found that PERB takes more than three times longer to issue its decisions than does the New York State PERB, while spending more than five times as much on the salaries of those involved in decisionmaking than the New York State PERB spends.

The Commission also found that PERB members are not qualified by expertise or experience to carry out their functions, which are essentially judicial. There are no explicit competence standards or experience tests which appointees to PERB's quasi-judicial positions must satisfy. According to the report, the labor law which PERB members must analyze and apply includes statutes with deliberately vague language designed to satisfy labor and management but which have been given very specific meaning through years of interpretation by administrative and judicial bodies. An absence of fundamental grounding in those defining precedents hinders inexperienced members from participating fully in relevant deliberations and requires a substantial period of learning before an inexperienced appointee can function efficiently.

Finally, the Commission found that the state is providing an unlimited subsidy for school districts' collective bargaining expenses at a cost of more than $30 million annually. The present system allows local governments, including school districts, to seek 100% state reimbursement of certain state-mandated programs, including collective bargaining. Since funds are reimbursed without review of the policy behind the expenditure decisions, no cost/benefit analysis of the collective bargaining expenditures has been conducted.

In response to its findings, the Commission made the following recommendations:

-To accelerate the pace of issuance of decisions and to provide economy, the Governor and the legislature should enact a measure to reduce the number of Board members from five to three, and reduce the PERB's budget to limit the number of Board counsel to one per member.

-To facilitate the monitoring of the Board's efficiency, effectiveness, and productivity, the Governor and the legislature should enact a measure to require the Board to report to the legislature quarterly, in a clearly presented format, the following information: (a) the number of PERB decisions, decisions on administrative appeals, and actions on injunctive relief requests; (b) the median number of days it took to issue the above-identified decisions; (c) the number of appeals to the Board docketed; and (d) the number of appeals pending before the Board.

-To identify the causes of delay, the reasons for the delay in issuance of decisions should be reported for each case on the docket longer than the average number of days taken by the Board to issue its decisions in the previous quarter.

-To increase the professionalism of the Board and the respect it commands from its constituencies, the Governor and the legislature should enact a measure to ensure that members appointed to the Board have demonstrated competence in public sector labor law and that members serve longer terms.

-To ensure maximum continuity and increased respect for the Board's expertise, the Governor and the legislature should enact a measure to designate as PERB Chair the Board member with the greatest seniority on the PERB.

-To allow the accurate assessment of

the cost of school districts' collective bargaining, statistics should be collected and published by the State Controller's Office showing the amount spent, by school district, on collective bargaining in each fiscal year, thus enabling the state better to evaluate the effectiveness of these expenditures.

Little Hoover Commission, 1988 Through 1989: Two Years of Progress Toward Efficient and Effective Government (April 1990) is a retrospective summarizing the Commission's progress and achievements during 1988-89. Between January 1988 and December 1989, the Commission conducted 22 hearings and issued 12 reports. Cumulatively, those reports contained 68 findings and 112 recommendations to improve state government operations. From those recommendations, the Commission either sponsored or supported 60 pieces of legislation, more than half of which were enacted into law by the midpoint of the 1989-90 legislative session.

The report includes a summary of major Commission studies on topics including the California State Lottery, California's boards and commissions, nursing homes, crime and violence in the state's schools, the state's highway system, the state's approach to drug programs, solid waste management, and the state's workers' compensation system. Specific accomplishments of the Commission over the two-year period include the following:

-The Commission helped bring about laws regarding living conditions for those in nursing homes and residential care facilities. These laws should bolster residents' rights, provide more information about facilities to the consumer, tighten oversight, and improve caregiver training. (See CRLR Vol. 9, No. 2 (Spring 1989) p. 38 for background information.)

-With the Commission's active support, an omnibus reform measure was passed in 1989 that should produce a dramatic change in California's approach to solid waste management in the coming years. (See CRLR Vol. 9, No. 4 (Fall 1989) p. 35 for background information.)

-With the Commission's active support, an omnibus reform measure was passed in late 1989, aimed at overhauling the workers' compensation system. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 33 for background information.)

-Commission recommendations regarding the proliferation of state boards and commissions led to the 1990 introduction of bills aimed at setting sunrise and sunset criteria for the creation of any new bodies and to institute a review of the need to merge functions of existing bodies. (See CRLR Vol. 9, No. 4 (Fall 1989) p. 32 for background information.)

-Some of the numerous Commission recommendations regarding the activities of the California State Lottery were implemented. These recommendations were aimed at helping the Lottery mature into an efficient and responsive state entity. (See CRLR Vol. 9, No. 4 (Fall 1989) p. 34 for background information.)

California's Coordination of AIDS Services (May 1990) examines the effectiveness of the state's use of its resources to provide services to AIDS patients and to forestall the spread of the disease. According to the report, during the eight years that AIDS diagnoses have been reported and tracked, California—which has more than 10% of the nation's population—has consistently accounted for more than 20% of the country's AIDS cases. AIDS experts agree that in California, the disease is increasing most rapidly among children and among intravenous drug users, while the rate of new infections among homosexual men has declined dramatically.

In response to this crisis, the state created a special AIDS program in 1983, which became the State Office of AIDS in the Department of Health Services in 1986. The Office is presently staffed with 140 people and about $128.5 million is budgeted in five areas targeted by the state: epidemiologic surveillance, prevention education, services to AIDS patients, disease research, and long-range planning.

Following a review of California's present approach regarding AIDS services, the Commission found that the state Office of AIDS lacks the authority to act as a lead agency for the state on all matters relating to AIDS. Although the existence of a separate Office of AIDS implies a centralized state mechanism for coping with the disease, state programs and services dealing with AIDS reach beyond the Office of AIDS. Currently, AIDS programs exist in seven departments under the Health and Welfare Agency, and in various departments under the Youth and Adult Correctional Agency, the Department of Education, the Department of Mental Health, the Department of Social Services, and the Business, Transportation and Housing Agency, among others. AIDS program advocates maintain that this lack of coordination makes the state difficult to deal with because requirements are not standardized across the departments and agencies.

The Commission's next finding was that the Office of AIDS fails to exert the leadership required to act as a clearinghouse for statewide AIDS information. As a result, programs are not well organized and are often duplicative, and a lack of coordination of funding can result in the full funding of the same program by both state and federal resources.

Next, the Commission noted that although the state has crafted an updated comprehensive plan for addressing AIDS, it has sent mixed signals about its intentions for implementing the plan. The California AIDS Leadership Committee, a group of 35 AIDS experts appointed by the Director of the Department of Health Services, issued a draft of its Strategic Plan in May 1989. Because some of the plan's 113 recommendations proved controversial—such as studying the concepts of exchanging clean needles for used ones with drug addicts, issuing condoms in prison, and instituting mandatory AIDS education in all schools—the Governor's Office failed to formally endorse any of the recommendations.

Finally, the Commission found that the Office of AIDS appears to be unable to administer its grant programs in a timely and efficient manner. A wide variety of sources, including community-based organizations, the California Conference of Local Health Officers, and the Legislative Analyst's Office, have noted that the Office of AIDS grant procedure is cumbersome, complex and costly.

The Commission concluded its report by making the following recommendations:

-The Governor and the legislature should give the Office of AIDS authority as the state's lead agency on AIDS and further should designate the Office of AIDS as the source of funding for all state programs dealing with AIDS.

-The Governor and the legislature should require counties on their own or in regional groupings to produce AIDS service plans, in consultation with community-based organizations, identifying resources from all levels of government and private sources, cataloging local needs, and coordinating funds and services. The Office of AIDS should serve as a technical adviser in the production of the plans, as a monitor to ensure plans cover all aspects of AIDS problems and incorporate all organizations in each area, and as a clearinghouse for gathering statistics on a statewide level based on the plans.

-The Governor and the legislature

should direct the Office of AIDS to streamline its grant procedures in order to reduce administrative costs. If these goals are not achieved in a timely manner, the Auditor General should be directed to examine the Office of AIDS and make recommendations for any necessary new procedures.

-The Department of Health Services should formulate and report to the legislature a timeline and budget requirements for those recommendations in the state AIDS Strategic Plan it intends to implement; the Department should further produce a list of goals and a timeline for the future activities of the California AIDS Leadership Committee.

DEPARTMENT OF CONSUMER AFFAIRS

Director: Michael Kelley
(916) 445-4465

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.

MAJOR PROJECTS:

Dispute Resolution Programs. Under the Dispute Resolution Act of 1986 (DRA), counties may increase filing fees for civil actions by up to $3 to fund local dispute resolution programs. DCA oversees the statewide process for the establishment and funding of these programs. (See CRLR Vol. 9, No. 4 (Fall 1989) p. 36 and Vol. 8, No. 2 (Spring 1988) p. 33 for background information.)

Eighteen counties have been collecting the increased fees pursuant to DRA; all but a few of these have already distributed grants. Los Angeles County has raised over $7 million and has awarded funds to eleven organizations which provide mediation services.

DCA is in the process of collecting and analyzing information from the state's funded alternative dispute resolution programs and from participating counties. Preliminary reporting shows that between June and December 1989, DRA programs have accomplished the following results: 42 programs have been funded; more than 34,000 disputants have participated in the program; 46% of the 2,224 cases have been resolved, with more than one-half of these cases coming from the Los Angeles County Bar Association's Program; and, perhaps most significantly, the average waiting period between filing and resolution is only twelve days.

Consumer Education. In response to the needs of California's growing immigrant population, DCA has launched an initiative to translate consumer education brochures into other languages, beginning with small claims court and landlord-tenant brochures. *California Tenants* is currently available in Spanish and is being translated into Vietnamese. The small claims brochure should be available in Spanish soon.

Additionally, DCA has received a tentative grant from a private foundation to create a brochure in ten languages which will help recent immigrants function in a credit-based society. A new toll-free telephone line (800-344-9940) offering recorded information on landlord-tenant issues, sales and promotions, automobiles, and credit will also be translated into Spanish and Asian languages in the near future.

Consumer Conference. On March 29-30, DCA hosted "It's 1990! What's Happening in the Consumer Marketplace?" in Los Angeles. Approximately 300 people attended DCA's first consumer conference and heard panelists discuss such consumer issues as energy, finance, telephone and cable communications, judicial systems, food and nutrition, health care, and global economics.

Assemblymember Delaine Eastin, Chair of the Assembly Committee on Governmental Efficiency and Consumer Protection, presented the opening address. Keynote Speaker Bonnie Guitton, Special Advisor to President Bush and Director of the U.S. Office of Consumer Affairs, addressed consumer issues. The conference also included a breakfast forum featuring most of the contenders for Insurance Commissioner.

Of particular interest to the legal community was the judicial systems forum. The panelists—representing the Judicial Council of California, the American Bar Association, and consumer advocates—discussed access to the court system, small claims, and alternative dispute resolution. Mary Alice Coleman, Staff Counsel for DCA's Legal Services Unit, moderated the panel and directed questions concerning these issues from an audience comprised of consumer advocates, legal services providers, and private individuals who expressed concerns about the costs of litigation. The panelists responded to these concerns by pointing out the successes of alternative dispute resolution programs (discussed above).

LEGISLATION:

AB 2572 (Eastin), as amended May 29, would require the Joint Legislative Budget Committee, prior to the enactment of legislation creating any new state board, to review a plan developed by the author of the legislation for the establishment and operation of the proposed state board. The bill would specify the contents of the plan, including the reasons why the proposed board was selected to address the problem giving rise to the legislation. At this writing, AB 2572 is pending in the Senate Rules Committee.

AB 2984 (Floyd), as amended June 11, would specifically require the DCA Director's permission before any DCA board, commission, examining committee, or other agency may institute or join any legal action against any other agency within state or federal government. At this writing, this bill is pending on the Senate floor.

SB 2241 (Watson), as amended May 29, would require the Governor and every other appointing authority, in making appointments to state boards, councils, committees, and all statewide panels, to be responsible for nominating or appointing a variety of competent persons of diverse backgrounds, abilities, interests, and opinions, and who are reflective of the numerical composition of all segments of the state's population, including but not limited to women and ethnic minorities. SB 2241 passed the Senate on June 13 and is awaiting committee assignment in the Assembly at this writing.

AB 2787 (Chacon) would provide that it is the policy of the state that the composition of state boards and commissions be broadly reflective of the general public, including all ethnic minorities and disabled persons. This bill is pending in the Senate Rules Committee.

AB 3242 (Lancaster), as amended May 15, would revise the Business and Professions Code to make it unlawful for any person to fail to surrender to the issuing authority upon written demand a license, registration, permit, or certificate which, among other things, has been issued in error or has expired; and to provide that a person who engages in any business for which a license is required may not bring an action for compensation for performance of any act for which a license is required without proving that he or she was licensed during the time of the performance of the act. This bill, which is DCA's omnibus bill and contains provisions pertaining to numerous DCA agencies, is pending in the Senate Business and Professions Committee.