



# INTERNAL GOVERNMENT REVIEW OF AGENCIES

only about 100 mediation programs existed in the entire country; now, more than 400 exist nationwide, with 21 programs in California.

Once a barrier to the development of mediation programs, the legal profession's skepticism is waning as lawyers enjoy the unexpected benefit of turning frustrated citizens into satisfied clients. Mary-Alice Coleman, DCA staff counsel and former executive officer of the now-sunsetted Dispute Resolution Advisory Council, expects more counties to become involved in the growth of mediation services.

At this writing, the Dispute Resolution Advisory Council has not yet submitted its final package of regulations concerning the statewide dispute resolution program for consideration and formal adoption by the Office of Administrative Law. The proposed regulations, which were developed pursuant to the Dispute Resolution Programs Act (Business and Professions Code section 465 *et seq.*), are expected to be submitted within the next few months. The regulations will establish funding and operating procedures for the local dispute resolution programs, including provisions which require grantees to promote their services by educating the public and other potential referral agencies about dispute resolution processes; provide standards for allocating and disbursing grant funds; and require counties to establish an interest-bearing account into which all revenues generated pursuant to the Act will be deposited.

*Sunrise Questionnaire.* During the last two years, DCA has utilized a Sunrise Questionnaire to gather information from professional and occupational groups which propose to become licensed and regulated by DCA. The questionnaire is designed as a self-assessment tool for groups which contend that regulation is necessary to protect the public or to develop entry barriers to the profession or trade. Questions focus on the identification of consumer groups which seek the practitioner's services; whether there has been public demand for regulation; whether unregulated practice of the occupation would harm or endanger the public health, safety, and welfare; whether any alternatives to regulation exist; whether the occupation is clearly distinguishable from other professions which are already regulated; the economic impact of regulation; and whether the occupation requires possession of knowledge, skills, and abilities that can be taught and tested.

The information obtained from the

questionnaire is analyzed by DCA staff members, who then issue a report to the professional or trade group about whether its proposal is valid. The questionnaire is also used by DCA staff in reporting to the legislature on the proposed licensure and regulation of such groups. Thirteen groups have utilized the questionnaire in the last two years, including chimney sweeps, dieticians, and pharmacy technicians.

## LEGISLATION:

*AB 538 (Moore)* would require DCA to report to the legislature on the following: the number of electronic commercial services operations in the state; compliance with the Electronic Commerce Act of 1984; any complaints regarding services; and any actions brought against electronic commercial services within the previous year by law enforcement agencies pursuant to the Act. At this writing, AB 538 is pending in the Assembly Utilities and Commerce Committee.

*AB 320 (Speier)* would permit the buyer of a dating service or weight loss contract to cancel the contract within three days after signing. The bill would require such contracts to be in writing, and the buyer must receive a copy. Further, the bill specifies that notice of cancellation, however expressed, is effective if it indicates the intention of the buyer not to be bound by the contract. This bill is pending on the Assembly floor.

*SB 787 (Rosenthal)* would prohibit the sale of a used car by a dealer unless accompanied by an express written warranty covering the full costs of both parts and labor necessary to repair any defect that impairs the motor vehicle's use or safety. It would also require the seller to disclose to a prospective buyer all defects or malfunctions known to the seller that impair the vehicle's safety or substantially impair its use. Failure to comply with the disclosure requirements provides the buyer with the opportunity to rescind the sale within thirty days. At this writing, SB 787 is pending in the Senate Insurance, Claims and Corporations Committee.

The following bills are pending in the Assembly Committee on Governmental Efficiency and Consumer Protection at this writing:

*AB 552 (Moore)* would authorize the buyer of a motor vehicle, pursuant to a conditional sale contract or purchase order, to cancel the agreement within three days after signing the agreement.

*AB 718 (Frazee)* would increase the disclosure rights of consumers who lease

vehicles. The bill would require that the lease contract contain both the method of determining any penalty for default or early termination and the amount of the penalty based on twelve-month intervals.

## ASSEMBLY OFFICE OF RESEARCH

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Established in 1966, the Assembly Office of Research (AOR) brings together legislators, scholars, research experts and interested parties from within and outside the legislature to conduct extensive studies regarding problems facing the state.

Under the direction of the Assembly's bipartisan Committee on Policy Research, AOR investigates current state issues and publishes reports which include long-term policy recommendations. Such investigative projects often result in legislative action, usually in the form of bills.

AOR also processes research requests from Assemblymembers. Results of these short-term research projects are confidential unless the requesting legislators authorize their release.

## MAJOR PROJECTS:

*State Resources to Enable Development of Community Nonprofit Skilled Nursing Facilities* (December 1988) identifies potential sources of state support to enable the creation of freestanding, nonprofit, community-based skilled nursing facilities, and suggests alternatives for future funding. Additionally, the report discusses the role of the community nonprofit facility within the continuum of long-term services.

The report states that several factors will dramatically increase California's need for long-term care services, including the increased growth in the elderly population, which is more vulnerable to chronic disability as a result of an increased life span; rising health care costs; and changing family structures which are no longer able to provide informal care-giving to the elderly population. These trends indicate a growing demand for formal, long-term care services, a portion of which will be provided in nursing homes.

The report recommends development of nonprofit, community-based nursing facilities. This model of care is a hybrid of the nonprofit and public models of nursing health care. As a public benefit corporation, this type of facility is affili-



ated with the community it serves, drawing upon members of the community to serve on its board of directors. Community involvement would tend to ensure that a high quality of care is provided.

Implementation of the community-nonprofit model requires capital and knowledge. The state could assist with financing through the California Health Facility Construction Loan Insurance Program (Cal Mortgage) and the California Health Facilities Financing Authority (CHFFA). These financing organizations provide nonprofit organizations an opportunity to obtain project funding for health facilities so long as they provide 10% of the total project cost.

The report suggests a revolving loan fund patterned after the County Health Facilities Assistance Fund (CHFAF). Further, a Nursing Home Assistance Fund could be established which would distribute funds through fines collected from nursing home code violations. Community-nonprofit nursing homes could then seek loans from the proposed Nursing Home Assistance Fund to meet the 10% requirement of the two major loan programs mentioned above.

The concern for quality of patient care makes the community-based model of nursing care attractive. By involving members of the community in the direct care of the elderly, the quality of care should be improved. Moreover, personal choice would be enhanced by the development of alternative care settings. However, the report acknowledges that state support favoring one type of nursing home ownership over another is a difficult policy issue.

*Arts Education in California: Thriving or Surviving?* (January 1989). This report examines the availability and quality of visual and performing arts instruction in elementary and secondary schools in California. For a number of years, there has been concern that visual and performing arts curricula have been in a continuing state of decline with diminishing resources for instructional time, instructional materials, and qualified personnel. The four major areas of study in the visual and performing arts include drama/theatre, music, dance, and visual arts.

The inclusion of the fine arts as a basic component of the educational curriculum is based on the theory that arts education enhances learning and development in other subject matters. In recent years, the nation's schools have emphasized the importance of learning fundamental skills in math, science, and writing.

This shift has led to a decline in the importance of arts education. The AOR report notes, however, that a growing body of evidence suggests that a more balanced approach to education would be advantageous. Renewed interest in the importance of arts education has resulted in the development of programs to improve arts education across the country.

Based on the data collected, the AOR report concludes that arts education in California is not thriving. In school districts where there is overall high achievement, the visual and performing arts appear to be a substantive part of the educational curriculum. In others where children are not performing well, the arts are languishing.

Consistent policies, strong leadership, and sensitive collaboration between state and local agencies is needed to help advance arts education in California. The report offered a number of recommendations, including the following:

- a statewide plan for arts education should be adopted, requiring local school districts to develop arts education plans for grades K-12;

- all teachers trained in state universities and colleges should be required to receive adequate training in the arts;

- the Department of Education (Department) should plan and support a program of professional training for teachers seeking skills in arts education; facilitate the employment of artists as teachers in local school districts; and use programs developed by large arts organizations for in-service teacher training;

- the Department should recommend immediate adoption of model guidelines for art curriculum currently in proposed form for grades K-8;

- the California Arts Council should encourage local arts councils to work with local school districts; and

- the Department and the California Arts Council should explore special programs to reach underserved areas and populations.

## SENATE OFFICE OF RESEARCH

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Established and directed by the Senate Committee on Rules, the Senate Office of Research (SOR) serves as the bipartisan, strategic research and planning unit for the Senate. SOR produces major policy reports, issue briefs, back-

ground information on legislation and, occasionally, sponsors symposia and conferences.

Any Senator or Senate committee may request SOR's research, briefing and consulting services. Resulting reports are not always released to the public.

## MAJOR PROJECTS:

*Housing Costs and the Budgets of Low-Income Households* (January 1989). Low-income families, defined as the poorest 25% of America's households, have been hardest hit by the changes in the housing market over the past fifteen to twenty years. The cost—both in real terms and as a percentage of total income—of rental and owner-occupied housing has dramatically increased, while the quality of housing available to low-income households has declined. This report listed the following indicators of the extent to which increased housing costs burden America's poor and low-income households:

- In 1974, one-third of all low-income households spent more than half their income on rent. Today, that percentage has risen to one-half of those households.

- Since 1980, the costs of both home ownership and renting have grown faster than the Consumer Price Index.

- Since 1974, the number of structurally inadequate rental housing units has gradually increased. Structural inadequacies include lack of plumbing, electricity, heat, or major problems with roofing or drainage.

- Between 1974 and 1983, the number of low-income households living in structurally inadequate rental housing units increased 81%, from 1.8 million to 2.2 million.

- Single parents and households headed by 25- to 34-year-olds are most at risk of living in inadequate or substandard housing.

For the first time since 1944, the percentage of families owning their homes has dropped. For example, 65.7% of American families owned their home in 1980, but that figure dropped to 64% by 1987. The reason for the decline is partly due to the fact that down payments have taken an increasingly large share of household income, severely undercutting the ability of young families and first-time buyers to enter the market. Between 1978 and 1985, the typical down payment had jumped from one-third to one-half of a household's yearly income. The decline in home ownership has also resulted from the fact that the "real burden" of owning a home, defined as out-of-pocket costs adjusted for both