Recommendations for Legislative Consideration From Audits Issued During 2006 and 2007

January 2008

CALIFORNIA STATE AUDITOR

The first five copies of each California State Auditor report are free. Additional copies are $3 each, payable by check or money order. You can obtain reports by contacting the Bureau of State Audits at the following address:

California State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, California 95814
916.445.0255 or TTY 916.445.0033

OR

This report is also available on the World Wide Web http://www.bsa.ca.gov

The California State Auditor is pleased to announce the availability of an on-line subscription service. For information on how to subscribe, please contact the Information Technology Unit at 916.445.0255, ext. 456, or visit our Web site at www.bsa.ca.gov.

Alternate format reports available upon request.

Permission is granted to reproduce reports.

For questions regarding the contents of this report,
please contact Margarita Fernández, Chief of Public Affairs, at 916.445.0255.

Elaine M. Howle
State Auditor

Doug Cordiner
Chief Deputy

CALIFORNIA STATE AUDITOR
Bureau of State Audits

555 Capitol Mall, Suite 300 Sacramento, CA 95814 916.445.0255 916.327.0019 fax www.bsa.ca.gov

January 18, 2008

Dear Governor and Legislative Leaders:

As you know, the Bureau of State Audits is a resource to the Legislature for oversight and accountability and as such, conducts independent audits as mandated or as directed by the Joint Legislative Audit Committee. While our recommendations are typically directed to the auditee, we also make recommendations for the Legislature to consider in striving for efficient and effective government operations. This special report summarizes those outstanding recommendations we made during the 2006 and 2007 for the Legislature to consider or for the auditee to seek legislative changes.

If you would like more information or assistance on any of the recommendations or background provided in this report, please contact Margarita Fernández, Chief of Public Affairs, at 445-0255 extension 343.

Respectfully submitted,

Elaine M. Howle

ELAINE M. HOWLE
State Auditor

CONTENTS

K–12 EDUCATION

Monitor California Indian Education With Additional Reporting

Recommendation

Require the Department of Education (department) to submit annual or biannual reports on the California Indian Education Center program (program) that monitor the progress of the program and supplement a report submitted on this topic in late 2005.

Background

The department administers and oversees the program, which was established in 1974 to address the challenges facing American Indian students enrolled in California's public schools. The program comprises 30 centers that received $4.4 million in fiscal year 2005–06.

We reported in February 2006 that state law requires the department to collect data annually to measure the academic performance of the students the centers serve and how well the centers are meeting the goals established by law. Guidelines adopted by the State Board of Education in 1975 further require that centers design their programs after assessing the needs of their respective communities. However, until 2005 the department did not ensure that centers reported the annual academic performance data of their students, and the department had no record of the centers' needs assessments on file and thus has no way of knowing whether the services the centers assert they are providing are the services most needed by the populations they serve. Although the department submitted an evaluation of the program to the Legislature by January 1, 2006, as required by state law, because the department was slow to start collecting data for the report, the evaluation lacked sufficient analysis to adequately support its recommendations to improve the program.

Report

2005-104 *Department of Education: Its Flawed Administration of the California Indian Education Center Program Prevents It From Effectively Evaluating, Funding, and Monitoring the Program* (February 2006)

Note: Although SB 1710 (2006) increased the department's statutorily defined oversight duties and mechanisms, it did not directly address the above recommendation. This bill was vetoed on October 14, 2007.

Allow a Waiver for Public Schools' Primary Language Translations

Recommendation

The Department of Education (department) should seek legislation to amend the law to allow parents to waive the requirement that they receive materials from their child's public school translated into their primary language.

Background

Education Code, Section 48985, requires that when 15 percent or more of students enrolled in a public school speak a single primary language other than English, all materials sent to the parent by the school or school district must be provided in that language as well as in English. About half of California's 10,100 public schools had at least one primary language that required translation in fiscal year 2004–05.

Although schools should use a home language survey the department developed to determine whether a language meets the 15 percent threshold, this survey may overstate the need for translations because it was not designed to identify those parents who are bilingual. In fact, some of the school districts we visited as part of our review indicated they did not meet the translation requirements because they believed there was little demand for translated materials, and in two instances districts indicated they received complaints from parents who did not want to be sent translated documents.

Report

2005-137 *California Public Schools: Compliance With Translation Requirements Is High for Spanish but Significantly Lower for Some Other Languages* (October 2006)

Clarify Expectations for the Mathematics and Reading Development Program

Recommendation

Redefine the expectations for the Mathematics and Reading Professional Development Program (program) and require the Department of Education (department) to provide meaningful data against which to evaluate program success. Additionally, the department should seek legislation authorizing it to make program payments to school districts without Board of Education (board) approval.

Background

This voluntary program aims to provide standards-based instructional training to 176,000 teachers statewide. Although the Legislature originally envisioned achieving this goal over a four-year period with annual appropriations of $80 million, only a small percentage of teachers had completed the full 120 hours of training for their current assignments more than five years after the program's enactment. Additionally, the department's report to the Legislature in July 2005 regarding the program's effectiveness was of little value because the reporting requirements are insufficient to assess the program's success. Although districts we surveyed indicated lack of teacher interest as the primary reason for nonparticipation, a significant number of districts also reported funding concerns: because the board approves payments for this program, the timeline for payment is a minimum of four to six months following receipt of the school district's claim.

Given that only a small percentage of teachers had completed the full 120 hours of program training at the time of our report, and given that teacher participation is voluntary, we recommended that the Legislature consider redefining its expectations for the program, clearly stating the number of teachers to be fully trained as well as any gains in student achievement expected. Based on how it defines the program's goals, the Legislature should consider enacting statutory changes to ensure that the department provides meaningful data with which to evaluate program success, including unduplicated counts of teachers who have completed the training with the aid of program and nonprogram funding as compared to the total number of teachers who are eligible to participate in the program, and including measures of the resulting gains in student achievement for teachers who have completed the program's training, such as higher student scores on standardized tests.

Report

2005-133 *Department of Education: Its Mathematics and Reading Professional Development Program Has Trained Fewer Teachers Than Originally Expected* (November 2006)

Ensure Flexible Funding for School Districts That Provide Transportation Services

Recommendation

The Department of Education (Education) should seek legislation to revise current laws to allow funding for all school districts that provide transportation services and to ensure that funding is flexible enough to account for changes that affect school districts' transportation programs.

Background

California's school districts transported almost 91,000 special education students (at a total cost of more than $438 million) and more than 830,000 regular education students (at a total cost of $777 million). To help offset some of the transportation expenditures school districts incur in providing transportation services to students, the Legislature created the Home-to-School Transportation (Home-to-School) program, which is administered by Education.

In March 2007 we reported that the legally prescribed funding mechanism prevents some school districts that did not receive Home-to-School program funds in the immediately preceding fiscal year from receiving these funds because of the basis of allocation. To ensure that school districts can participate and receive state funds for the Home-to-School program, we recommended that Education seek legislation to revise the current laws to allow funding for all school districts that provide transportation services to regular and special education students. In addition, we recommended that Education seek legislation to ensure that funding is flexible enough to account for changes that affect the school districts' transportation program, such as large increases in enrollment.

Report

2006-109 *Home-to-School Transportation Program: The Funding Formula Should Be Modified to Be More Equitable* (March 2007)

HEALTH AND HUMAN SERVICES

Require Additional Penalties for Health and Safety Violations at Child Care Facilities

Recommendation

The Department of Social Services (department) should consider proposing statutes or regulations requiring it to assess additional civil penalties on child care homes for health and safety violations.

Background

The department is responsible for monitoring licensed child care facilities and investigating complaints against those facilities through the child care program in its Community Care Licensing Division. Although the department used civil penalties as a response to health and safety violations by both child care centers (centers) and family child care homes (homes), the department did not assess civil penalties against homes in many instances we reviewed because the regulations for homes prescribe a more limited use of civil penalties for violations than the regulations for centers do. When we questioned the department about the regulations for assessing civil penalties against homes, it pointed to legislative intent as expressed in statute that the program operated by the State for homes should be cost-effective, streamlined, and simple to administer in order to ensure adequate care of children placed in homes, while not placing an undue burden on the providers.

To improve enforcement actions and better enable the department to effectively address health and safety violations by child care facilities, we recommended that the department consider proposing statutes or regulations requiring it to assess civil penalties on homes for additional types of health and safety violations.

Report

2005-129 *Department of Social Services: In Rebuilding Its Child Care Program Oversight, the Department Needs to Improve Its Monitoring Efforts and Enforcement Actions* (May 2006)

Streamline the State's Emergency Preparedness Structure

Recommendation

With the governor, streamline the State's structure for emergency response and define this structure in statute.

Background

Although California's structure for responding to emergencies is established in state law and is very streamlined, its structure for preparing for emergency response is a labyrinth of complicated and ambiguous relationships among myriad entities. The Governor's Office of Emergency Services (Emergency Services), Office of State Homeland Security (Homeland Security), and numerous committees that provide advice or guidance to these two offices and the Department of Health Services, which administer federal grants for homeland security and bioterrorism preparedness, were working within a framework of poorly delineated roles and responsibilities. We reported that if this status continues, the State's ability to respond to emergencies could be adversely affected.

To simplify, clarify, and define in law California's structure for emergency response preparation, we recommended that the governor and the Legislature should consider streamlining the emergency preparedness structure, and they should include in this process consideration of establishing one state entity to be responsible for emergency preparedness, including preparedness for emergencies caused by terrorist acts. Additionally, the Legislature should consider statutorily establishing Homeland Security in law as either a stand-alone entity or a division within Emergency Services, and if it creates Homeland Security as a stand-alone entity, the Legislature should consider statutorily defining the relationship between Homeland Security and Emergency Services.

Report

2005-118 *Emergency Preparedness: California's Administration of Federal Grants for Homeland Security and Bioterrorism Preparedness Is Hampered by Inefficiencies and Ambiguity* (September 2006)

Note: AB 38 (introduced 12/4/06) would partially address the above recommendation by establishing the Department of Emergency Services and Homeland Security.

Extend the Time Period for Medi-Cal Provider Applicants

Recommendation

The Department of Health Services (department)[1] should seek legislation to extend the 35-day time period applicants have to remedy deficiencies in their applications and eliminate preferred provider status.

Background

The department administers the California Medical Assistance Program (Medi-Cal)—a federal program established to benefit low-income people who lack health insurance. The department receives and processes applications from potential medical providers.

We found that although the department generally notifies applicants in a timely manner that their applications are deficient, applicants often fail to correct deficiencies within the required 35-day time period, or do not resubmit their corrected applications at all. This failure is the leading reason for denied applications. Moreover, some applicants resubmit information to remedy their deficient applications soon after the required time period lapses, and state law requires the branch to deny these applications and treat them as new, preventing some eligible providers from offering services as soon as they could otherwise.

Furthermore, state law allows certain applicants to apply for preferred provider status. However, the only benefit to an applicant of qualifying for this status is that the branch must process the application within 90 days instead of 180 days. According to information from the department's tracking system, only 4 percent of the applications the department received in federal fiscal year 2006 requested preferred provider status and the benefits to applicants appear to be marginal, so we question the value of the status.

Report

2006-110 *Department of Health Services: It Needs to Improve Its Application and Referral Processes When Enrolling Medi-Cal Providers* (April 2007)

[1] The Department of Health Services is now the Department of Health Care Services.

Allow the Medical Board to Adjust Physicians' License Fees

Recommendation

The Medical Board of California (medical board) should seek amendments to allow it the flexibility to adjust physicians' license fees when necessary to maintain its fund balance at or near the mandated level.

Background

The medical board is a consumer protection agency responsible for protecting the public through the proper licensing and regulation of California's health care professionals and the enforcement of the Medical Practice Act. The medical board accounts for its activities in the contingent fund, its operating fund, which is supported primarily by statutorily set license fees collected from physicians and surgeons (physicians). The Business and Professions Code requires the medical board to maintain a reserve, or fund balance, that will cover approximately two months of operating expenditures. Recently, the fund balance in the contingent fund has exceeded the mandated level by more than 100 percent—the fund balance increased by $6.3 million, to $18.5 million, in fiscal year 2006–07, representing 4.3 months of reserves. We recommended that the medical board seek legislation to allow it the flexibility to adjust physicians' license fees when necessary to maintain its fund balance at or near the mandated level.

Report

2007-038 *Medical Board of California: It Needs to Consider Cutting Its Fees or Issuing a Refund to Reduce the Fund Balance of Its Contingent Fund* (October 2007)

Note: AB 547 of the 2007–08 Regular Session would address our recommendations.

BUSINESS, TRANSPORTATION AND HOUSING

Determine the Extent of Assisting Local Agencies With Grade Separation Projects

Recommendation

Reconsider its intent for the Grade Separation Program (program) and the extent to which it wishes to continue assisting local agencies with their grade separation projects.

Background

Through the program, the State helps local agencies pay for projects to eliminate at-grade crossings by separating the railway and roadway so they no longer intersect, usually via an overpass or bridge. The Public Utilities Commission (Commission) must establish a list by July 1 of each year prioritizing each eligible project. Through delegated authority the California Department of Transportation (Caltrans) allocates the annual program appropriation of $15 million to the projects included on the Commission's priority list that apply for funding.

Our review of the program found that although the average cost of a grade separation project has increased from $2.5 million in 1974 to a current average of just more than $26 million, the annual funding available for the program has remained the same since 1974. Local agencies claim to have difficulties securing the funding necessary to pay for their share of such projects and thus may be on the priority listing and not apply for funds. Reportedly, $165 million is needed to provide funding for the same number of projects that $15 million provided in 1974.

In light of local agencies' limited participation in the program, we recommended that the Legislature reconsider its intent for the program and the extent to which it wishes to continue assisting local agencies with their grade separation projects. Among the possible courses of action, the Legislature could either discontinue the program or increase the annual budget.

Report

2007-106 *Grade Separation Program: An Unchanged Budget and Project Allocation Levels Established More Than 30 Years Ago May Discourage Local Agencies From Taking Advantage of the Program* (September 2007)

Allow Setting Fees by Regulation

Recommendation

To strengthen its operational oversight, the Department of Corporations (Corporations) should seek legislative authority to allow it to set fees by regulation and, as part of that authority, require that Corporations annually assess its fee rates and establish fees that are reasonably related to its cost of providing the services supported by its fees.

Background

Corporations issues and renews licenses, examines and investigates licensees, and collects periodic assessments from certain licensees in regulating the securities and financial services industries, including businesses such as securities brokers and dealers, investment and financial planners, and certain fiduciaries and lenders. The fees and assessments it collects supports Corporations' functions.

Between 2001 and the time we issued our report in January 2007, Corporations had not analyzed the licensing and examination fees it charged businesses to determine whether the fees matched its costs of providing the related services. As a result, it had consistently overcharged for some activities and undercharged for others. Since some of the fees collected by Corporations, such as licensing fees, are generally set by statute and cannot be raised without a change in the law, we recommended that to strengthen its operational oversight, Corporations should seek legislative authority allowing it to set fees by regulation. Specifically, we recommended that this legislative authority require that Corporations annually assess its fee rates and establish fees that are reasonably related to its cost of providing services.

Report

2005-123 *Department of Corporations: It Needs Stronger Oversight of Its Operations and More Efficient Processing of License Applications and Complaints* (January 2007)

Note: AB 1516 would allow the commissioner to adjust fees to reflect the actual cost of regulatory services for each law and program.

ENVIRONMENTAL PROTECTION

Increase the Maximum Proportion the State Board Can Allocate for Multidistrict Projects

Recommendation

The State Air Resources Board (state board) should seek legislation to revise state law to increase the 10 percent maximum proportion it can allocate for multidistrict projects. If the state board opts not to seek this revision, the Legislature may wish to consider it.

Background

The state board, in conjunction with participating air pollution control districts and air quality management districts (collectively, local air districts), offer an incentive program—the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program). The Moyer Program helps private companies, public agencies, and individuals undertake projects to retrofit, repower, or replace existing engines to reduce pollution emissions beyond what is required by law or regulations.

Among other things, our review of the Moyer Program revealed that California Law impedes emission reductions by allowing the state board to set aside only 10 percent of Moyer Program funds for projects that operate in more than one district. A higher cap could lead to emission reductions with lower costs per ton. Further, the methodology the state board used to select projects for the multidistrict component undervalues the cost per ton of intended emission reductions.

In order to maximize the use of Moyer Program funds, we recommended that the state board seek legislation to revise state law to increase the 10 percent maximum proportion it can allocate for multidistrict projects. If the state board opts not to seek this revision, the Legislature may wish to consider it.

Report

2006-115 *The Carl Moyer Memorial Air Quality Standards Attainment Program: Improved Practices in Applicant Selection, Contracting, and Marketing Could Lead to More Cost-Effective Emission Reductions and Enhanced Operations* (June 2007)

Blank page inserted for reproduction purposes only.

LABOR AND WORKFORCE DEVELOPMENT

Amend Auditing Requirements for the Apprenticeship Program

Recommendation

To effectively implement program audits, we recommended the Department of Industrial Relations' Division of Apprenticeship Standards (division) request that the Legislature amend auditing requirements to allow it to select programs for audit using a risk-based approach.

Background

In addition to subjecting all apprenticeship programs to possible audits from a random selection process once every five years, at the time of our review, statutes directed the division to give priority to conducting audits of programs that have been identified as having deficiencies. Regulations defined deficiencies as previously determined violations of laws, regulations, or program standards. However, the division did not have explicit statutory authority to audit programs with high-risk factors such as division-identified low graduation rates, high dropout rates, or low employment rates. A comprehensive audit plan that subjects all programs to possible random audits, gives priority to auditing programs with known deficiencies, and targets programs with a high-risk profile would maximize the use of the division's limited audit resources.

Report

2005-108 *Department of Industrial Relations: Its Division of Apprenticeship Standards Inadequately Oversees Apprenticeship Programs* (September 2006)

Blank page inserted for reproduction purposes only.

GENERAL GOVERNMENT

Provide Incentives to Encourage Citizens to Join the California National Guard

Recommendation

The California Military Department (Military Department) should go through the legislative process in order to be able to provide incentives that will encourage citizens to join the California National Guard, and it should work with the Department of Finance and the Legislature to establish a baseline budget for maintaining and repairing California's armories.

Background

We reported that California's Army Guard and Air Guard did not meet their respective force strength goals for federal fiscal years 2004 or 2005. The Army Guard attributed increased difficulty in maintaining prescribed force levels to several factors, including a perceived lack of state incentives to join the Army Guard. The Air Guard indicated its diminished ability to meet force strength goals centered on the fact that these goals were consciously set high to achieve optimum force strength, the ongoing war, and a smaller pool of personnel with prior service to recruit from. We recommended that the Military Department identify and pursue steps to help meet the force strength goals set by the National Guard Bureau, including pursuing through the legislative process the ability to provide incentives that will encourage citizens to join the California National Guard.

At the time of our review, roughly 87 percent of the Military Department's armories were in need of repair and improvement. The Military Department's facilities director indicated that the solution to this problem is to create a balanced program of replacement, modernization, and maintenance and repair involving federal and state funds. The facilities director further indicated that the maintenance and repair component of this program has been underfunded. To help ensure the Military Department works towards improved maintenance of its armories, we recommended that it work with the Department of Finance and the Legislature to establish a baseline budget for the maintenance and repair of its armories.

Report

2005-136 *Military Department: It Has Had Problems With Inadequate Personnel Management and Improper Organizational Structure and Has Not Met Recruiting and Facility Maintenance Requirements* (June 2006)

Streamline the State's Emergency Preparedness Structure

Recommendation

With the governor, streamline the State's structure for emergency response and define this structure in statute.

Background

Although California's structure for responding to emergencies is established in state law and is very streamlined, its structure for preparing for emergency response is a labyrinth of complicated and ambiguous relationships among myriad entities. The Governor's Office of Emergency Services (Emergency Services), Office of State Homeland Security (Homeland Security), and numerous committees that provide advice or guidance to these two offices and the Department of Health Services, which administer federal grants for homeland security and bioterrorism preparedness, were working within a framework of poorly delineated roles and responsibilities. We reported that if this status continues, the State's ability to respond to emergencies could be adversely affected.

To simplify, clarify, and define in law California's structure for emergency response preparation, we recommended that the governor and the Legislature should consider streamlining the emergency preparedness structure, and they should include in this process consideration of establishing one state entity to be responsible for emergency preparedness, including preparedness for emergencies caused by terrorist acts. Additionally, the Legislature should consider statutorily establishing Homeland Security in law as either a stand-alone entity or a division within Emergency Services, and if it creates Homeland Security as a stand-alone entity, the Legislature should consider statutorily defining the relationship between Homeland Security and Emergency Services.

Report

2005-118 *Emergency Preparedness: California's Administration of Federal Grants for Homeland Security and Bioterrorism Preparedness Is Hampered by Inefficiencies and Ambiguity* (September 2006)

Note: AB 38 (introduced 12/4/06) would partially address the above recommendation by establishing the Department of Emergency Services and Homeland Security.

LEGISLATIVE, JUDICIAL, AND EXECUTIVE

Ensure Local Governments Receive Maximum Benefit From the Distribution Fund to Mitigate Adverse Impacts of Casinos

Recommendation

The California Gambling Control Commission (gambling commission) should seek legislative changes to provide better direction to local governments on the use of distribution fund grants, revise the current allocation methodology for grant funds so that the allocation is based on the number of devices, require that all funds be deposited into interest-bearing accounts, and allocate distribution fund money only to counties that submit annual reports as required.

Background

The federal Indian Gaming Regulatory Act authorizes the State to enter tribal-state gaming compacts (compacts) that allow California Indian tribes to operate gaming devices on tribal lands. As required by the compacts, the tribes deposit money into a distribution grant fund, a revenue trust fund, or both, which are administered by the gambling commission. Deposits made to the distribution fund are allocated in the form of grants for local governments—cities, counties, and special districts—adversely impacted by tribal gaming.

Our review revealed that local governments did not always use distribution fund money to mitigate casino impacts nor did they always use the interest earned on grants to pay expenses related to the projects for which the grants were intended. Moreover, counties did not always submit to the Legislature the required annual reports and that some ineligible entities received grant funds. We also found that the allocation of distribution fund money in some counties is based, in part, on the number of devices operated by tribes that did not pay into the fund because their compacts require them to negotiate directly with the county to pay for the mitigation of casino impacts, yet these counties continue to receive distribution funds.

Report

2006-036 *Indian Gaming Special Distribution Fund: Local Governments Do Not Always Use It to Mitigate the Impact of Casinos, and Its Viability Will Be Adversely Affected by Compact Amendments* (July 2007)

Note: AB 1389 and AB 132 of the 2007–08 Regular Session would address our recommendations.

Require Counties to Report on the Additional DNA Penalties

Recommendation

To provide a full accounting of the deoxyribonucleic acid (DNA) fund money counties collect and transfer, require counties to include in their annual reports information on the additional DNA penalty.

Background

A voter-approved proposition, the DNA Fingerprint, Unsolved Crime, and Innocence Protection Act (DNA act), expanded the statewide program of collecting samples of DNA and storing them in a database and data bank (DNA program).

To assist local law enforcement agencies in collecting DNA samples, the DNA act requires the assessment of a penalty for all criminal and vehicle violations, excluding parking violations (initial DNA penalty). In July 2006 the DNA act was amended to levy an additional DNA penalty for all criminal and vehicle violations, excluding parking violations (additional DNA penalty). The additional DNA penalty is assessed and distributed in a manner similar to the initial DNA penalty, except that 100 percent of the penalty is transferred to the State.

The DNA act requires each county's board of supervisors to submit an Annual County DNA Identification Fund Report (annual report) to the Department of Justice (Justice) and the Legislature detailing collection and expenditure information related to the initial DNA penalty. Further, the DNA act requires Justice to post data from the annual reports on its Web site. However, state law does not require counties to report collections related to the additional DNA penalty. Therefore, Justice and other interested parties relying on the Justice Web site for information on DNA penalty collections would not be able to obtain a complete picture of all DNA penalty money collected and transferred to the State. To provide a full accounting of the DNA fund money counties collect and transfer, the Legislature should consider revising state law to require counties to include in their annual reports information on the additional DNA penalty.

Report

2007-109 *DNA Identification Fund: Improvements Are Needed in Reporting Fund Revenues and Assessing and Distributing DNA Penalties, but Counties and Courts We Reviewed Have Properly Collected Penalties and Transferred Revenues to the State* (November 2007)

CRIMINAL JUSTICE

Consider Revising Attendance Provisions for Batterer Intervention Programs

Recommendation

Consider revising attendance provisions and the 18-month completion requirement on batterer intervention programs to be better aligned with what local probation departments and courts indicate is a reasonable standard. Additionally, if it is the Legislature's intent that individuals who commit domestic violence be consistently sentenced to 52 weeks of batterer intervention, enact statutory provisions that would not allow the courts to delay sentencing so that batterers complete a lesser number of program sessions.

Background

State law requires a person on probation for a domestic violence crime to complete a batterer intervention program of no less than one year and mandates that the batterer can miss no more than three of the program's weekly sessions and cannot extend the program beyond 18 months without a court's consent.

However, all five of the counties we selected for review found it necessary to adopt attendance policies that are more accommodating than state law, and four indicated they did not track the 18-month completion requirement. To maintain a balance between upholding the standard of batterer accountability and granting probation departments the flexibility needed to help batterers complete their assigned programs, we recommended that the Legislature consider revising the attendance provisions and 18-month completion requirement.

Although state law requires individuals on probation for domestic crimes to complete a batterer intervention program, we noted an instance in which a court in one county delayed sentencing and subsequently dismissed charges when an individual had completed only a portion of the program. Further, the judicial official handling the case commented that this situation occurs in numerous cases prior to a plea or disposition.

Report

2005-130 *Batterer Intervention Programs: County Probation Departments Could Improve Their Compliance With State Law, but Progress in Batterer Accountability Also Depends on the Courts* (November 2006)

Blank page inserted for reproduction purposes only.

STATE AND CONSUMER SERVICES

Prescribe a Mandatory Format for Community Benefit Plans of Tax-Exempt Nonprofit Hospitals

Recommendation

Prescribe a mandatory format when presenting community benefits in nonprofit hospitals' plans if the Legislature expects community benefit plans to contain comparable and consistent data. Also, consider amending the law to include exemptions from income and property taxes granted to nonprofit hospitals that are based on hospitals providing a certain level of community benefits.

Background

State law permits certain organizations, including hospitals, to obtain exemptions from paying state corporation income taxes (income taxes) and local property taxes if they are organized and operated for nonprofit purposes. State law gives the Franchise Tax Board the responsibility of determining whether an organization, such as a nonprofit hospital, qualifies for an exemption from paying income taxes, and the State Board of Equalization and county tax assessors are responsible for determining whether nonprofit hospitals qualify for an exemption from paying local property taxes.

Most tax-exempt hospitals must annually submit a community benefit plan (plan) to the Office of Statewide Health Planning and Development (Health Planning), but the plan cannot be used to justify the tax-exempt status of a nonprofit hospital. In general, a plan must describe the activities the hospital has undertaken to address community needs and must assign and report the economic values of the community benefits the hospital provides. However, state law does not require Health Planning to review the plans to ensure that hospitals report the same types of data consistently, nor does Health Planning do so. Our review of the plans submitted by a sample of hospitals revealed differences in the categories included in the plans and the methods used to calculate the economic values of community benefits. Thus, when we tried to compare the economic values of the community benefits that tax-exempt hospitals provided with the income taxes they did not pay, the absence of complete and accurate data precluded a reliable and meaningful comparison.

Report

2007-107 *Nonprofit Hospitals: Inconsistent Data Obscure the Economic Value of Their Benefit to Communities, and the Franchise Tax Board Could More Closely Monitor Their Tax-Exempt Status* (December 2007)