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Bureau of State Audits

Recommendations for Legislative Consideration From Audits Issued During 2008 and 2009



December 2009 Report 2009-701

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December 10, 2009

2009-701

Dear Governor and Legislative Leaders:

The State Auditor's Office 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 recommendations we made during 2008 and 2009 for the Legislature to consider, or recommendations for the auditee to seek legislative changes.

A recommendation from our prior year's Recommendations for Legislative Consideration report was partially implemented through legislative action. As a result, the summary of that recommendation was modified in this report to exclude legislative action already taken. In addition, this report includes a legislative recommendation related to audit report 2008-103 that was not included in the original audit report because it materialized after we published the report. Specifically, while conducting an audit, we identified a potential conflict-of-interest violation involving a former Unemployment Insurance Appeals Board. As audit standards require, we referred this issue to the Sacramento County District Attorney (district attorney), and the recommendation included in this report is based on the district attorney's closed investigation.

The Appendix includes a listing of legislation chaptered or vetoed during the first year of the 2009-10 Regular Legislative Session and based at least in part on recommendations from our audit reports.

If you would like more information or assistance regarding any of the recommendations or the background provided in this report, please contact Debbie Meador, Chief of Legislative Affairs, at 916-445-0255, extension 292.

Respectfully submitted,



ELAINE M. HOWLE, CPA
State Auditor

Contents—Abbreviated Title/Recommendation

Department of Housing and Community Development

Mandate Reviews of Housing Bond Programs 1

Department of Veterans Affairs

Modify State Law to Authorize Additional Services to Veterans 3

State Mandates

Require the Commission to Include Pertinent Information in Reports to the Legislature 5

Information Technology Services Contracting

Require State Agencies to Abide by State Personnel Board Rulings 7

California Unemployment Insurance Appeals Board

Clarify Safe-Harbor Protections 9

Electronic Waste

Designate Oversight of Electronic Waste Disposal to One Specific Agency 11

County Poll Workers

Require Updating of Poll Worker Training Guidelines and Monitoring County Adherence 13

Affordability of College Textbooks

Require California Community Colleges to Implement Strategies to Control the Cost of Textbooks 15

Santa Clara Valley Transportation Authority

Change Statutory Term Length to Promote Board Stability 17

Low-Level Radioactive Waste

Require Only Obtainable Reporting Information on Low-Level Radioactive Waste 19

Safely Surrendered Baby Law

Promote Awareness of the Safely Surrendered Baby Law 21

Sex Offender Placement

Clearly Define Single-Family Dwelling and Residential Facility 23

Appendix

Legislation Chaptered or Vetoed During the First Year of the 2009–10 Regular Legislative Session 25

Department of Housing and Community Development

Mandate Reviews of Housing Bond Programs

Recommendation

If the Legislature believes that the Bureau of State Audits (bureau) should perform periodic reviews of the bond programs not currently included in the audit requirements under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C), it should propose legislation to require the bureau to do so.

Background

In November 2002 California voters passed the Housing and Emergency Shelter Trust Fund Act of 2002 (Proposition 46) to provide \$2.1 billion in bonds (housing bonds) for developing affordable rental housing, emergency homeless shelters, and down payment assistance to first-time low- to moderate-income Californians. In November 2006 California voters approved Proposition 1C, which provides nearly \$2.85 billion to support the same core areas as Proposition 46, plus an additional one—development programs—that focuses on infrastructure. The California Health and Safety Code requires the bureau to conduct periodic audits of housing bond activities to ensure that proceeds are awarded in a manner that is timely and consistent with legal requirements and that recipients use the funds in compliance with the law. Although the Health and Safety Code requires the bureau to perform periodic audits on all programs funded by Proposition 46, it does not require the bureau to conduct periodic audits of three programs included in Proposition 1C: the Transit-Oriented Development Implementation Program; the Regional Planning, Housing, and Infill Incentive Account; and the Housing Urban-Suburban-and-Rural Parks Account. These three programs constitute \$1.35 billion, or 47 percent of the Proposition 1C funds that the bureau did not audit.

Independent audits of public funds and programs provide the citizens and government objective, accurate, and timely evaluations to promote efficient and effective management of government activities. Therefore, the Legislature should consider requiring the bureau to perform periodic reviews of the three programs not currently included in the audit requirements.

Report

2009-037 Department of Housing and Community Development: Housing Bond Funds Generally Have Been Awarded Promptly and in Compliance With Law, but Monitoring Continues to Need Improvement (November 2009)

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Department of Veterans Affairs

Modify State Law to Authorize Additional Services to Veterans

Recommendation

If the Legislature believes that the Department of Veterans Affairs (Veterans Affairs) should play a larger role in funding multifamily housing for veterans, providing transitional housing for veterans, or addressing the housing needs of homeless veterans, it should modify or clarify state law to authorize the department to provide such services.

Background

The mission of Veterans Affairs is to serve veterans and their families through various activities generally administered by three areas within the department—the Veterans Homes division, the CalVet Home Loan program (CalVet program), and the Veterans Services division—and by relying on a network of service providers—the federal VA, nonprofit entities, and counties—that offer support and assistance to the State’s veterans.

We determined that the CalVet program is generally not designed to specifically benefit homeless veterans or veterans in need of multifamily or transitional housing. State law would need to be changed or clarified for Veterans Affairs to address such needs. For instance, state law makes it impractical for the CalVet program to issue loans for multifamily housing, such as duplexes, triplexes, and fourplexes, because it generally does not allow veterans to rent out the unoccupied units. Further, state law provides little opportunity for the program to serve homeless veterans or veterans in need of transitional housing. The homes in the CalVet program’s portfolio are designed for one family, which limits their usefulness for serving homeless veterans or veterans in need of transitional housing.

Assembly Bill 2670 of the 2007–08 Regular Legislative Session became effective January 2009 and authorizes Veterans Affairs to apply to the California Debt Allocation Committee for permission to issue private activity bonds for qualified residential rental projects (residential projects). According to a legislative committee analysis, the legislation that enacted this law sought to address the need for transitional and permanent housing for veterans and their families by identifying a source of funding the department could use to fund affordable multifamily housing. However, according to the deputy secretary of the CalVet program, the law does not authorize the department to use the money derived from the sale of private activity bonds to fund residential projects, and legislation would need to be passed explicitly permitting the CalVet program to make loans for these projects. According to our legal counsel, the law would need to be clarified if the Legislature’s desire was to limit residency in these projects to veterans, because it does not authorize the department to impose this limitation.

Report 2009-108 *California Department of Veterans Affairs: Although It Has Begun to Increase Its Outreach Efforts and to Coordinate With Other Entities, It Needs to Improve Its Strategic Planning Process, and Its CalVet Home Loan Program Is Not Designed to Address the Housing Needs of Some Veterans* (October 2009)

Note: Assembly Bill 1330 of the 2009–10 Regular Legislative Session was chaptered on October 11, 2009. Although it does not specifically implement this recommendation, it gives Veterans Affairs the authority to establish a cooperative housing pilot project.

Note: Assembly Bill 776 of the 2009–10 Regular Legislative Session, if passed in its current form, would require Veterans Affairs to urge Congress to change provisions of the Internal Revenue Code to allow the use of proceeds from Veterans mortgage bonds for various types of housing.

State Mandates

Require the Commission to Include Pertinent Information in Reports to the Legislature

Recommendations

The Commission on State Mandates (Commission) should add additional information in its semiannual report to inform the Legislature about the status, including the delays, of mandates being developed under the alternative processes—joint process and the Commission process. If the Commission believes it needs a statutory change to implement this recommendation, it should seek it.

Background

Long delays and a growing liability indicate the need for further changes to improve the way state mandates are determined and subsequently managed in California. Reimbursable costs for the mandate activities that local entities performed during fiscal years 2003–04 through 2007–08 were significant, averaging \$482 million annually. Although the Commission has made progress in reducing its backlog of test claims over the last six years, the continuing backlog is large. In fact, many test claims from 2003 or earlier are still outstanding. This circumstance, combined with the long time elapsed before the Commission makes determinations, means that substantial costs will continue to build up before the Legislature has the information it needs to take any necessary action.

The joint process, which became effective January 2008, greatly reduces the Commission's workload related to establishing a mandate's guidelines and adopting a statewide cost estimate. The joint process allows the Department of Finance (Finance) and the local entity to submit a letter of intent to the Commission, which includes the date on which they will provide the Commission with an informational update regarding their progress in developing a mandate formula. By reducing the Commission's workload, this process has potential to give Commission staff more time to address their work backlog. Also effective in 2008, the Legislature eased statutory requirements for adopting formulas. Under the amended statutes, the Commission can work with Finance, local entities, and others to develop a reimbursement formula for a mandate instead of developing guidelines for claiming actual costs in the traditional way. The proposed reimbursement formulas require the consideration of costs from a representative sample of local entities. Although this Commission process does not reduce the Commission's workload as drastically, it does provide certain similar benefits, such as simpler documentation requirements and less complicated audits.

Currently, the Commission is not required to report on items moving through the alternative joint and Commission processes, although it does report to the Legislature when it approves a reimbursement formula for a mandate. Additional information on the status of these items would help inform the Legislature about how widely the reforms are being used and about delays that may be holding up certain mandates.

Report

2009-501 State Mandates: Operational and Structural Changes Have Yielded Limited Improvements in Expediting Processes and in Controlling Costs and Liabilities (October 2009)

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Information Technology Services Contracting

Require State Agencies to Abide by State Personnel Board Rulings

Recommendations

To create more substantive results from the reviews conducted by the State Personnel Board (board) under California Government Code, Section 19130 (b), the Legislature should do the following:

- Specify that contracts disapproved by the board must be immediately terminated and require state agencies to provide documentation to the board and the applicable state employee representatives (unions) to demonstrate to the satisfaction of the board the termination of these contracts.
- Clarify when state agencies must terminate contracts disapproved by the board, when payments to the contractors must cease, and for what periods of service the contractors are entitled to receive payments.
- Prohibit state agencies from entering into subsequent contracts for substantially the same services as specified in contracts under board review without first notifying the board and the applicable unions, allow unions to add these contracts to the board's review of the original contracts, and allow the board to disapprove the subsequent contracts as part of its decision on the original contracts.
- Require state agencies that have contracts disapproved by the board to obtain preapprovals from the board before entering into contracts for substantially the same services.

Further, if an agency enters into a contract without the board's preapproval, the Legislature should allow the applicable union to challenge this contract and prohibit the agency from arguing that the contract was justified under California Government Code, Section 19130(a) or (b). Instead, the board should resolve only whether the subsequent contract is for substantially the same service as the disapproved contract.

Background

The California Supreme Court has recognized that the California Constitution contains an implied civil service mandate, which prohibits state agencies from contracting with private entities to perform work that the State has historically and customarily performed and that it can perform adequately and competently. However, state law does allow state agencies to contract for these services—rather than employing civil servants—under specified conditions, and it places responsibility with the board to review these contracts upon request by a union to ensure the contracts do not violate the civil service mandate.

Over the last five years, the board has disapproved 17 information technology (IT) contracts executed by the departments of Health Care Services, Public Health, and Health Services.¹ The board disapproved the IT contracts because the departments, upon formal challenges from a union, could not adequately demonstrate the legitimacy of their justifications for contracting under the California Government Code, Section 19130(b), which provides 10 conditions under which state agencies may contract for services rather than use civil servants to perform specified work.

Although the union prevailed in 17 of its 23 IT contract challenges, many of the board's decisions were moot because the contracts had already expired before the board rendered its decisions. This situation occurred primarily because the union raised challenges late in the terms of the contracts and because the board review process was lengthy. Of the six IT contracts that were active at the time of the board's decisions, only three were terminated because of board disapprovals. Our legal counsel believes that uncertainties exist about whether or not a contract disapproved by the board is void and about the legal effect of a void contract. Because the legal effect of a board-disapproved contract is uncertain, it may be helpful for the Legislature to clarify when payments to the related contractor must cease and for what periods of service a vendor may receive payments.

For each of the other three IT contracts, the departments either terminated the contract after a period of time for unrelated reasons or allowed it to expire at the end of its term. Because the board lacks a mechanism for determining whether state agencies comply with its decisions, the departments experienced no repercussions for failing to terminate these contracts.

Although not prohibited by law from doing so, the departments entered into numerous subsequent contracts for the same services as those in the contracts previously disapproved by the board. In one case, the board disapproved an IT contract for the same service from the same supplier that it had already disapproved in an earlier union challenge. Without some limitation on subsequent same-service contracts, board decisions related to Section 19130(b) of the California Government Code will often affect only contracts with terms that have expired or will soon expire, and the decisions will not preclude similar contracts from immediately replacing those that the board disapproves. As a result, all the effort and resources spent reviewing challenged IT contracts would seem to be an inefficient use of state resources.

Report

2009-103 *Department of Health Care Services and Public Health: Their Actions Reveal Flaws in the State's Oversight of the California Constitution's Implied Civil Service Mandate and in the Departments' Contracting for Information Technology Services* (September 2009)

¹ On July 1, 2007, Health Services became Health Care Services, and Public Health was established. All contracts disapproved by the board were originally executed by Health Services. However, the management of these contracts was performed by either Health Services, Health Care Services, or Public Health.

California Unemployment Insurance Appeals Board

Clarify Safe-Harbor Protections

Recommendation

The Legislature should clarify legislation of safe-harbor exceptions related to a conflict-of-interest law to ensure that these exceptions are applied as originally intended, such as when a state board makes a contract with another government entity.

Background

California Government Code, Section 1090, generally prohibits entities such as state boards and its members from making contracts in which a member of the board has financial interest, and provides in relevant part as follows: Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Moreover, Section 1097 of the California Government Code specifies that willfully making a contract in violation of Section 1090 is a crime.

In November of 2008 the California State Auditor's Office found, while conducting an audit, that a former California Unemployment Insurance Appeals Board (board) may have violated California Government Code, Section 1090, when it voted to hire its then-chair as an administrative law judge for the board. As audit standards require, the state auditor referred this potential criminal violation to the Sacramento County District Attorney (district attorney) and the California Attorney General (attorney general).

After review of this case, the district attorney concluded that the employment contract was allowed under one of the "safe-harbor" exceptions enacted by the Legislature in 1999, Senate Bill 689 (SB 689). However, our legal counsel believes that the district attorney's interpretation conflicts with the Legislature's intent of the bill and the attorney general's interpretation of this safe-harbor exception. The committee bill analysis makes it clear that the purpose of SB 689 was to, among other things, allow an entity such as the board to contract with *another* governmental entity that employs a member of the board. Nothing in the bill analysis suggests that the Legislature intended to allow a member of the board to contract with that same board. Additionally, the attorney general's *Conflict of Interest* manual states that the safe-harbor exception relied upon by the district attorney "cannot be used to permit a member of a board to enter into a contract with his or her own board."

To ensure that others do not interpret SB 689 in a manner that is not consistent with the intent of the Legislature, the Legislature should clarify state law to mirror SB 689's original intent—that these safe-harbor exceptions apply only when a board makes a contract with *another* government entity.

Report

2008-103 *California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources* (November 2008)

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Electronic Waste

Designate Oversight of Electronic Waste Disposal to One Specific Agency

Recommendations

Require state agencies to track more accurately the amounts of electronic waste (e-waste) they generate, recycle, and discard. Moreover, if more targeted, frequent, or extensive oversight related to state agencies' recycling and disposal of e-waste is necessary, consider assigning this responsibility to a specific agency.

Background

We found that state agencies do not consistently report the amount of e-waste they divert from municipal landfills. E-waste is electronic devices such as computers, televisions, fax machines, or copy machines that are at or near the end of their useful lives. Although state law requires state agencies to track only their amounts of solid waste, some report annually the amount of e-waste they divert from municipal waste streams. However, the state agencies we reviewed did not consistently calculate the amounts reported.

Further, a state agency's decision regarding how to dispose of e-waste is subject to review by the Department of General Services (General Services) and by local entities. However, our audit found that these reviews are infrequent and may not always identify instances in which state agencies have improperly discarded e-waste. General Services' records indicated that it had reviewed the five state agencies in our sample between 1999 through 2004; however, these reviews did not focus on how e-waste was discarded. Further, program agencies—typically county or city agencies—are responsible for enforcing the State's hazardous waste laws and regulations; however, their inspections may fail to include state agencies that generate e-waste.

Moreover, we found two of the five large state agencies we examined improperly disposed of e-waste. While the disposal records for the remaining three departments in our sample did not clearly indicate how they disposed of e-waste, all three state agencies indicated that they too have discarded some e-waste in the trash. The lack of clear communication from oversight agencies, coupled with some state employees' lack of knowledge about appropriate e-waste management practices, contributed to these instances of improper disposal.

Report

2008-112 Electronic Waste: Some State Agencies Have Discarded Their Electronic Waste Improperly, While State and Local Oversight Is Limited (November 2008)

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County Poll Workers

Require Updating of Poll Worker Training Guidelines and Monitoring County Adherence

Recommendation

The Legislature should consider amending the California Elections Code (Elections Code) to explicitly direct the Office of the Secretary of State (office) to periodically update its poll worker training guidelines and to monitor county adherence to these standards.

Background

County elections officials are responsible for training poll workers. The office is responsible for administering the provisions of the Elections Code and ensuring that elections are conducted efficiently and that state election laws are followed. In 2003 the Legislature enacted a law that required the office to establish a task force to recommend uniform guidelines for training poll workers. Although the office published the *Poll Worker Training Guidelines 2006* (training guidelines), the law does not require the training guidelines to be updated. Thus, the office has not revised the standards since issuing them in 2006. Additionally, our review found that the training guidelines do not address the voting rights for decline-to-state voters, yet these voters represented almost 20 percent of all registered voters in the February 2008 presidential primary election. Moreover, state law does not require the office to monitor compliance with the training guidelines. To keep training guidelines current and to ensure counties comply with the guidelines, the Legislature should consider amending the Elections Code to ensure that training guidelines are periodically updated and that the office monitors counties' compliance with standards.

Report

2008-106 County Poll Workers: The Office of the Secretary of State Has Developed Statewide Guidelines, but County Training Programs Need Some Improvement (September 2008)

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Affordability of College Textbooks

Require California Community Colleges to Implement Strategies to Control the Cost of Textbooks

Recommendations

The California Community College Board of Governors (board) and the system office of the community colleges (system office) should seek legislation that gives them the authority to require campuses to implement the recommendations aimed at lowering college textbook costs. Further, if the system office and the board believe such legislation would be an intrusion into local district affairs, they should seek legislation that requires the college districts to implement the recommendations.

Background

Textbook prices have increased at a rate significantly outpacing that of the median household income, and the financial burden imposed on students because of these rising prices, combined with escalating student fees, increase the likelihood that some students will forgo or delay pursuing a postsecondary education. The increase in the publishers' invoice prices, or the prices that publishers charge retailers, is driving the rise in campus bookstores' retail prices, which leads to increasing textbook costs for students. Another factor inflating the cost of textbooks are the markups that campus bookstores add to the prices of the textbooks they buy from publishers.

The largest of California's three postsecondary educational systems, the community colleges, consist of 110 colleges and serve about 2.5 million students. The community colleges' 17-member board sets policy and provides guidance for the 110 colleges. Thus, we believe that the system office and its board have the authority to implement recommendations aimed at lowering college textbook costs. Our report provided recommendations to the community colleges that included increasing the awareness and transparency about reasons campus bookstores add markups to publishers' invoice prices for textbooks and ensuring that faculty are aware of steps they can take to possibly control textbook costs. However, in the system office's response to the audit report, they indicated that they do not believe they have the statutory authority to direct colleges to implement all recommendations. Therefore, in our comments to their response, we recommended that if they do not believe they have this authority, the system office and the board should seek authority from the Legislature to require college districts to implement these recommendations.

Report

2007-116 Affordability of College Textbooks: Textbook Prices Have Risen Significantly in the Last Four Years, but Some Strategies May Help to Control These Costs for Students
(August 2008)

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Santa Clara Valley Transportation Authority

Change Statutory Term Length to Promote Board Stability

Recommendation

To promote stability in its leadership and to bring the tenure of Santa Clara Valley Transportation Authority (VTA) board members in line with comparable transit agencies, VTA should request the Legislature to amend its enabling statutes to allow for a four-year board term.

Background

VTA, which is responsible for both transit services and transportation planning within Santa Clara County, is governed by a board of directors (board), which comprises 12 appointed officials who hold other elected offices, and is managed by a general manager who oversees seven divisions. VTA, one of the largest independent transit districts in California, has received criticism in recent years from, among other sources, an organizational and financial assessment published in March 2007 by a consultant VTA hired. VTA has responded to this assessment by making numerous improvements across its organization.

In comparing the structure of the board with those of other California transit agencies of comparable size and scope, we found that although VTA has a similar structure to other transit agencies, it has the shortest board tenure of the agencies compared. One reason for this condition is that the term length established in statute for board members is only two years—the shortest of all the comparable agencies. To further promote stability, we recommended the VTA seek a change to its enabling statutes to increase the term length from two years to four years.

Report

2007-129 Santa Clara Valley Transportation Authority: It Has Made Several Improvements in Recent Years, but Changes Are Still Needed (July 2008)

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Low-Level Radioactive Waste

Require Only Obtainable Reporting Information on Low-Level Radioactive Waste

Recommendation

To the extent that the Department of Public Health (Public Health) cannot provide information required by the Health and Safety Code, it should seek legislation to amend the law.

Background

More than five years after its September 2002 enactment, Public Health still has not implemented requirements that the Legislature added to the Health and Safety Code, Section 115000.1, which calls for reporting on the amount of low-level radioactive waste (low-level waste) stored in California or exported for disposal. As of April 2008 Public Health had not produced the report, nor had it implemented the information system needed to generate such a report. Without this information, neither the Legislature nor Public Health can accurately assess the need for a disposal facility in California.

That section of the Health and Safety Code requires Public Health to maintain for each generator of low-level waste a file of the shipping manifests for waste sent to a disposal facility, either directly or through a broker or agent. This section of the law also requires Public Health to maintain a file on each generator's low-level waste stored for decay and stored for later transfer. This and other information is required to be annually reported to the Legislature.

Further, when it eventually does prepare the report, Public Health may not include all the information required under law. The provisions place data collection and reporting requirements on Public Health and allow it to use copies of shipping manifests from generators to provide the necessary information. However, Public Health determined that the shipping manifests do not provide information on 12 of 57 discrete data elements required by the legislation. Public Health is aware of these deficiencies and has stated it will need to revisit the issue with Public Health's executive management and the legislation's author to ensure that the required information meets the intent of the legislation.

Report

2007-114 *Low-Level Radioactive Waste: The State Has Limited Information That Hampers Its Ability to Assess the Need for a Disposal Facility and Must Improve Its Oversight to Better Protect the Public* (June 2008)

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Safely Surrendered Baby Law

Promote Awareness of the Safely Surrendered Baby Law

Recommendation

To promote the awareness of California's Safely Surrendered Baby Law (safe-surrender law), consider amending the law to specify the agency that should administer the safe-surrender program and provide or identify funding for the agency so that it can effectively administer the program, including providing outreach and monitoring efforts and continued annual reporting to the Legislature on the law's impact.

Background

The safe-surrender law provides a lifesaving alternative to distressed individuals who are unwilling or unable to care for a newborn baby 72 hours old or younger by allowing them to surrender the baby confidentially and legally to staff at a hospital or other designated safe-surrender site. Although the intent of the safe-surrender law is admirable, the law does not impose on any state agency sufficient requirements to publicize its availability, thus potentially reducing the law's effectiveness. Specifically, along with establishing the process for surrendering a baby, the safe-surrender law originally required the Department of Social Services (Social Services) to report to the Legislature annually, from 2003 to 2005, specific data concerning surrendered and abandoned babies to demonstrate the law's impact. However, the reporting requirement did not extend past 2005. Additionally, the safe-surrender law does not require any state agency to make the public aware of the law or to actively monitor its success on an ongoing basis.

According to the chief of its Office of Child Abuse Prevention, Social Services has fulfilled its statutory obligations related to the safe-surrender law through 2005. In addition, Social Services asserted that ongoing awareness efforts at the local level, combined with a lack of an "alarming increase" in the number of abandoned babies, mitigate Social Services' need to conduct additional activities related to the safe-surrender law. However, our audit revealed that although Social Services has fulfilled its statutory obligations, awareness efforts at the local level vary from county to county.

Report

2007-124 Safely Surrendered Baby Law: Stronger Guidance From the State and Better Information for the Public Could Enhance Its Impact (April 2008)

Note: Assembly Bill 1049 of the 2009–10 Regular Legislative Session would have established the Safely-Surrendered Baby Fund to receive voluntary contributions to provide outreach to increase public awareness of the safe-surrender law. However, this bill was vetoed by the governor on October 11, 2009.

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Sex Offender Placement

Clearly Define Single-Family Dwelling and Residential Facility

Recommendation

Consider amending the law to clearly define a single-family dwelling and a residential facility and to specify whether the single-family dwelling restriction for sex offenders applies to juvenile sex offenders.

Background

The Sex Offender Registration Act requires that all persons that reside in California and found to have committed certain sexual offenses must, for the remainder of their lives, register as sex offenders with certain regional entities. The departments of Social Services and Alcohol and Drug Programs are responsible for licensing various facilities, including residential facilities that serve six or fewer individuals. Our comparison of the databases from the two departments with Department of Justice's database of registered sex offenders showed that at least 352 licensed residential facilities housed sex offenders as of December 13, 2007.

Through our review of the Department of Corrections and Rehabilitation's database of parolees, we identified several instances of two or more sex offenders on parole residing in the same hotel room. For example, we found that a hotel in Stockton was the legal residence for 90 sex offenders on parole. State law does not generally allow sex offenders on parole to reside with other sex offenders in a single-family dwelling that is not what it terms a "residential facility." However, it is not clear as to whether a single unit within a multifamily dwelling such as a hotel is considered a single-family dwelling. Moreover, although state law does not prohibit two or more sex offenders from residing at the same "residential facility," it does not clearly define whether residential facilities include those that do not require a license, such as sober living facilities. Furthermore, the law is unclear as to whether the residency restriction applies to juvenile sex offender parolees.

Report

2007-115 *Sex Offender Placement: State Laws Are Not Always Clear, and No One Formally Assesses the Impact Sex Offender Placement Has on Local Communities* (April 2008)

Note: Senate Bill 214 of the 2009–10 Regular Legislative Session, if enacted, will define the term sober living facility.

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Appendix

Legislation Chaptered or Vetoed During the First Year of the 2009–10 Regular Legislative Session

The information in Table A briefly presents state bills that have been enrolled and in some instances chaptered during the current 2009–10 Regular Legislative Session, and were based at least in part, on recommendations from a state auditor’s report or the analysis of the bill relied heavily on a state auditor report.

Table A
 Legislation Chaptered or Vetoed in the 2009–10 Regular Legislative Session

BILL NUMBER/ CHAPTER	REPORT (ABBREVIATED TITLE)	LEGISLATION CHAPTERED OR VETOED
General Government		
AB 43	<i>2000-133 California Earthquake Authority (February 2001)</i>	Would have amended the California Earthquake Authority enabling statute with intent to make the authority mitigation program more effective. Vetoed October 11, 2009
AB 930 Chapter 128	<i>2007-111 California State Highway Patrol Contracting Practices (January 2008)</i>	Clarifies that actions taken by the Department of General Services related to the State Administrative and Contracting manuals are exempt from the Administrative Procedure Act. Chaptered August 6, 2009
AB 1270	<i>2008-113 Victim Compensation and Government Claims Board (December 2008)</i>	Would have required Victim Compensation and Government Claims Board to adopt written procedures and time frames for processing claims. Vetoed October 11, 2009
Higher Education		
SB 48 Chapter 161	<i>2007-116 Affordability of College Textbooks (August 2008)</i>	In general, requires publishers that offer textbooks to postsecondary education institutions to make textbooks available in whole, or in part, in electronic format by January 1, 2020. Chaptered October 11, 2009
Human Services		
AB 1049	<i>2007-124 Safely Surrendered Baby (October 2008)</i>	Would have created a potential funding stream for outreach for the Safely Surrendered Baby Law. Vetoed October 11, 2009
Judiciary		
SB 641	<i>2009-030 California State Bar (July 2009)</i>	Would have continued State Bar’s authority to collect annual dues. Bill analysis and veto message refer to this audit and prior State Bar audits. Vetoed October 11, 2009
Natural Resources		
AB 1052 Chapter 381	<i>2008-115 Delta Fishing Stamp (October 2008)</i>	Among other things, requires the Department of Fish and Game to develop a spending plan for the Bay-Delta Sport Fishing Stamp Fund. Chaptered October 11, 2009
Public Safety		
AB 275 Chapter 228	<i>2004-114 Missing Persons DNA Program (June 2005)</i>	Deletes the sunset date for the provisions that authorize the collection of a fee that supports the Missing Persons DNA Database Program. Chaptered October 11, 2009
SB 583 Chapter 55	<i>2007-115 Sex Offender Group Home Licensing (April 2008)</i>	Requires the Department of Justice to identify the type of residence at which certain sex offenders live, and to share this information with other state agencies. Chaptered August 6, 2009
State and Consumer Services		
AB 501 Chapter 400	<i>2007-038 Medical Board of California (October 2007)</i>	Among other things, this bill requires the Medical Board of California to set the licensing fee for physicians and surgeons, but would retain the board’s authority to increase the annual license fee under certain conditions. Chaptered October 11, 2009
SB 744 Chapter 201	<i>2007-040 Department of Public Health: Clinical Laboratories (September 2008)</i>	Bill revises licensing and certification requirements for clinical laboratories, revises licensing fees, and makes other administrative changes. Chaptered October 11, 2009