

CALIFORNIA LEGISLATURE

2007–08 REGULAR SESSION

ASSEMBLY JOURNAL

RECESS JOURNAL NO. 14

Assembly Chamber, Sacramento
Thursday, July 17, 2008

Pursuant to the provisions of Joint Rule 59, the following Assembly Journal for the 2007–08 Regular Session was printed while the Assembly was in Recess.

COMMUNICATIONS

The following communication was presented by the Speaker, and ordered printed in the Journal:

July 16, 2008

E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California

Dear Dotson: This is to advise you that I have appointed Assemblymember Jim Beall as chair of the Select Committee on Foster Care. I will remain a member of the committee.

Sincerely,

KAREN BASS
Speaker of the Assembly

The following communication was presented by the Chief Clerk from:

John A. Wagner, Director, Department of Social Services, dated June 9, 2008, submitting letter of transmittal relative to a delay on submitting a report on Implementing Public Authorities and NonProfit Consortia to Deliver In-Home Supportive Services (pursuant to Senate Bill 1780, Chapter 206, Statutes of 1996). Referred by the Speaker to the Committee on Human Services.

REPORTS

The following letters of transmittal were presented by the Chief Clerk and ordered printed in the Journal:

California State Auditor

2007-002
June 26, 2008

*The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 3196
Sacramento, California*

Members of the Assembly: As required by California Government Code, Section 8542 et seq., the Bureau of State Audits presents its audit report concerning our review of the State of California's internal controls and compliance with state and federal laws and regulations for the year ended June 30, 2007.

This report concludes that the State did not materially comply with certain requirements for 29 of its federal programs or clusters of programs. Additionally, we were unable to obtain sufficient documentation to determine whether the State adequately complied with relevant federal requirements for 10 programs. Further, the State continues to experience certain deficiencies in its accounting and administrative practices that affect its internal controls over financial reporting and over compliance with federal requirements. Although none of the deficiencies we identified are material to the State's financial statements, deficiencies in the State's internal control system could adversely affect its ability to provide accurate financial information and to administer federal programs in compliance with applicable requirements.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Above report referred to the Commission on Business and Professions.

California State Auditor

2007-122
June 17, 2008

*The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 3196
Sacramento, California*

Members of the Assembly: As requested by the Joint Legislative Audit Committee, the Bureau of State Audits presents its audit report concerning the Department of Health Care Services' (Health Care Services) Medi-Cal billing system, with particular emphasis on its billing instructions and coding for durable medical equipment (medical equipment).

This report concludes Health Care Services' policies and procedures regarding reimbursement methodologies for medical equipment generally agree with state laws, regulations, and federal program requirements. In addition, Health Care Services has adequately informed providers of the required procedures for calculating billings and reimbursements for medical equipment supplied to eligible beneficiaries, including changes to billing and reimbursement procedures and health care codes that have occurred since 2003.

Nonetheless, because Health Care Services has not identified a practical means to monitor and enforce its billing and reimbursement procedures, price controls enacted in 2003 have not met their intended purpose. During 2007 and 2008 Health Care Services conducted a limited review of 21 providers' billings for wheelchairs and their accessories with listed Medicare prices and found that the providers overbilled, and Health Care Services overpaid, about \$1.2 million, or 25 percent of the \$4.9 million those providers billed. Although Health Care Services has recovered almost \$960,000 of the overpayments, it does not know the extent to which other providers may have also overbilled for medical equipment. Health Care Services intends to use postpayment audits to enforce its price controls for medical equipment; however, its current auditing efforts do not provide enough coverage of medical equipment reimbursements to effectively ensure providers' compliance with the billing procedures.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Above report referred to the Committee on Health.

The following reports were presented by the Chief Clerk:

**Use of Harbors and Watercraft Revolving Fund
(Pursuant to Harbors and Navigation Code Section 85.2 (b)(2))**

Above transmitted report, together with letter of transmittal from Ruth Coleman, Director, Department of Parks and Recreation, dated May 20, 2008, referred by the Speaker to the Committee on Transportation.

**The Master Plan for Female Offenders:
A Blueprint for Gender-Responsive Rehabilitation
(Pursuant to Assembly Bill 76, Chapter 706, Statutes of 2007)**

Above transmitted report, together with letter of transmittal from Matthew L. Cate, Secretary, Department of Corrections and Rehabilitation, dated May 22, 2008, referred by the Speaker to the Committee on Public Safety.

**Summary of Revenues and Expenditures for
the State Water Resources Development System
Actuals for the Years Ended June 30, 2006 and June 30, 2007
Budget for the Year Ending June 30, 2008
(Pursuant to Supplemental Report of the 2007 Budget Act
Item 3860-001-0001)**

Above transmitted report, together with letter of transmittal from Lester A. Snow, Director, Department of Water Resources, dated May 22, 2008, referred by the Speaker to the Committee on Water, Parks and Wildlife.

**Bureau of Medi-Cal Fraud and Elder Abuse
Quarterly Statistical Report
(Pursuant to Budget Act 2007, Item 0820-001-0001, Provision 1)**

Above transmitted report, together with letter of transmittal from Sue Johnsrud, Director, Division of Administrative Support, Department of Justice, dated May 30, 2008, referred by the Speaker to the Committee on Public Safety.

**2007 OAL Determination No. 7 (S)
(Pursuant to Government Code Section 11340.5)**

Above transmitted report, together with letter of transmittal from Susan Lapsley, Director, Office of Administrative Law, dated May 30, 2008, referred by the Speaker to the Committee on Business and Professions.

**Mental Health Services Act Expenditure Report
Fiscal Year 2007-2008
(Pursuant to Assembly Bill 131, Chapter 80, Statutes of 2005)**

Above transmitted report, together with letter of transmittal from Stephen W. Mayberg, Ph.D., Director, Department of Mental Health, dated June 1, 2008, referred by the Speaker to the Committee on Health.

**Consortia Staff Long-Term Travel Reimbursement
(Pursuant to Supplemental Report of the 2007 Budget Act)**

Above transmitted report, together with letter of transmittal from Carlos Ramos, Director, Health and Human Services Agency, dated April 14, 2008, referred by the Speaker to the Committee on Human Services.

**In-Home Supportive Services Provider Direct Deposit
(Pursuant to Budget Act 2007, Item 5180-001-0001)**

Above transmitted report, together with letter of transmittal from John A. Wagner, Director, Department of Social Services, dated April 22, 2008, referred by the Speaker to the Committee on Human Services.

**AB 2497 Workgroup Report
(Pursuant to Assembly Bill 2497, Chapter 462, Statutes of 2006)**

Above transmitted report, together with letter of transmittal from Mike Chrisman, Secretary, Resources Agency, referred by the Speaker to the Committee on Water, Parks and Wildlife.

**Disenrolled Students Report
(Pursuant to Supplemental Report to the 2001 Budget Act)**

Above transmitted report, together with letter of transmittal from Richard P. West, Executive Vice Chancellor and Chief Financial Officer, California State University, dated May 2, 2008, referred by the Speaker to the Committee on Higher Education.

**Residential Telephone Subscribership and Universal Service
(Pursuant to Public Utilities Code, Section 873)**

Above transmitted report, together with letter of transmittal from Paul Clanon, Executive Director, Public Utilities Commission, dated June 6, 2008, referred by the Speaker to the Committee on Utilities and Commerce.

**Evaluation of Internal Accounting and Administrative Control System
(Pursuant to Government Code Section 13405)**

Above transmitted report, together with letter of transmittal from Patrick W. Henning, Director, Employment Development Department, dated June 9, 2008, referred by the Speaker to the Committee on Labor and Employment.

**Actuarial Valuation Report for
the 1959 Survivor Benefit Program as of June 30, 2007**

Above transmitted report, together with letter of transmittal from Rob Feckner, President, California Public Employees' Retirement System, dated May 23, 2008, referred by the Speaker to the Committee on Public Employees, Retirement and Social Security.

**2008 OAL Determination No. 8 (S)
(Pursuant to Government Code Section 11340.5)**

Above transmitted report, together with letter of transmittal from Susan Lapsley, Director, Office of Administrative Law, dated June 10, 2008, referred by the Speaker to the Committee on Business and Professions.

**Plan for the Early and Periodic Screening,
Diagnosis and Treatment Program (EPSDT) and
the DMH Medi-Cal Fiscal Services Management Workplan
(Pursuant to Assembly Bill 203, Chapter 188, Section 97, Statutes of 2007)**

Above transmitted report, together with letter of transmittal from Stephen W. Mayberg, Ph.D., Director, Department of Mental Health, dated June 10, 2008, referred by the Speaker to the Committee on Health.

**Litigation Deposit Fund (0920)—
Statement of Fund Balance—for Quarter Ending March 31, 2008
(Pursuant to Government Code Section 16427(e))**

Above transmitted report, together with letter of transmittal from Sue Johnsrud, Director, Division of Administrative Support, Department of Justice, dated June 9, 2008, referred by the Speaker to the Committee on Budget.

**2008 OAL Determination No. 9 (S), 2008 OAL Determination No. 10 (S),
and 2008 OAL Determination No. 11 (S)
(Pursuant to Government Code Section 11340.5)**

Above transmitted report, together with letter of transmittal from Susan Lapsley, Director, Office of Administrative Law, dated July 11, 2008, referred by the Speaker to the Committee on Business and Professions.

**Organizational Review of the UC Office of the President
(Pursuant to Supplemental Report of the 2006 Budget Act
Item 6440-001-0001)**

Above transmitted report, together with letter of transmittal from Robert C. Dynes, President, University of California, dated June 13, 2008, referred by the Speaker to the Committee on Higher Education.

**2007 Public Utility Employment, Investment and Contracting
(Pursuant to Public Utilities Code Section 7912)**

Above transmitted report, together with letter of transmittal from Paul Clanon, Executive Director, Public Utilities Commission, dated June 17, 2008, referred by the Speaker to the Committee on Utilities and Commerce.

**Expenditure of Funds Quarterly Report
(Pursuant to Assembly Bill 142, Chapter 34, Statutes of 2006)**

Above transmitted report, together with letter of transmittal from Lester A. Snow, Director, Department of Water Resources, dated June 19, 2008, referred by the Speaker to the Committee on Budget.

**2008 OAL Determination No. 12
(Pursuant to Government Code Section 11340.5)**

Above transmitted report, together with letter of transmittal from Susan Lapsley, Director, Office of Administrative Law, dated June 16, 2008, referred by the Speaker to the Committee on Business and Professions.

**No Child Left Behind Title II
(Pursuant to Budget Act 2007, Item 6110-001-0890, Provision 34)**

Above transmitted report, together with letter of transmittal from Jack O'Connell, State Superintendent of Public Instruction, Department of Education, dated June 16, 2008, referred by the Speaker to the Committee on Education.

**State Commission on Juvenile Justice Interim Report
(Pursuant to Welfare and Institutions Code, Section 1798.5)**

Above transmitted report, together with letter of transmittal from Matthew L. Cate, Secretary, Department of Corrections and Rehabilitation, dated June 16, 2008, referred by the Speaker to the Committee on Public Safety.

**Law Revision Commission Reports
(Pursuant to Government Code Sections 8291 and 9795)**

Above transmitted report, together with letter of transmittal from Brian Hebert, Executive Secretary, California Law Revision Commission, dated June 17, 2008, referred by the Speaker to the Committee on Judiciary.

**Activities Relating to
the Utilization of Clinics to Provide Comprehensive Health Services
(Pursuant to Health and Safety Code Section 124485)**

Above transmitted report, together with letter of transmittal from Katie Trueworthy, Deputy Director, Legislative and Governmental Affairs, Department of Health Care Services, dated June 3, 2008, referred by the Speaker to the Committee on Health.

**State Water Project (SWP) Budget
(Pursuant to Supplemental Report of the 2007 Budget Act
Item 3860-001-0001)**

Above transmitted report, together with letter of transmittal from Lester A. Snow, Director, Department of Water Resources, dated June 3, 2008, referred by the Speaker to the Committee on Budget.

**California State Lottery Fund: Financial Statements, March 31, 2008
(Prepared from Books Without Audit)
(Pursuant to Government Code Section 8880.22)**

Above transmitted report, together with letter of transmittal from Joan M. Borucki, Director, California Lottery Commission, dated June 3, 2008, referred by the Speaker to the Committee on Governmental Organization.

**2007 California Workers' Compensation Losses and Expenses
(Pursuant to Insurance Code Section 11759.1)**

Above transmitted report, together with letter of transmittal from David M. Bellusci, Senior Vice President and Chief Actuary, Workers' Compensation Insurance Rating Bureau of California, dated June 20, 2008, referred by the Speaker to the Committee on Insurance.

**Mathematics and Reading Professional Development Program
Interim Report
(Pursuant to Education Code Section 99240)**

Above transmitted report, together with letter of transmittal from Jack O'Connell, State Superintendent of Public Instruction, Department of Education, dated June 25, 2008, referred by the Speaker to the Committee on Education.

**Administrator Training Program Interim Report
(Pursuant to Assembly Bill 430, Chapter 171, Statutes of 2005)**

Above transmitted report, together with letter of transmittal from Jack O'Connell, State Superintendent of Public Instruction, Department of Education, dated June 25, 2008, referred by the Speaker to the Committee on Education.

**California Medical Assistance Commission's 2008 Annual Report
(Pursuant to Welfare and Institutions Code, Sections 14165 et seq.,
and the California Code of Regulations, Title 22, Sections 10051 et seq.)**

Above transmitted report, together with letter of transmittal from J. Keith Berger, Executive Director, California Medical Assistance Commission, dated June 27, 2008, referred by the Speaker to the Committee on Health.

**Integrated Fare Study
(Pursuant to Senate Bill 916, Chapter 715, Statutes of 2003)**

Above transmitted report, together with letter of transmittal from Randy Rentschler, Director, Legislation and Public Affairs, Metropolitan Transportation Commission, dated June 20, 2008, referred by the Speaker to the Committee on Transportation.

**Actuarial Experience Study for the Defined Benefit Program,
Defined Benefit Supplement Program and Cash Balance Benefit Program
(Pursuant to Education Code Sections 22311 and 25933)**

Above transmitted report, together with letter of transmittal from Jack Ehnes, Chief Executive Officer, California State Teachers' Retirement System, dated June 20, 2008, referred by the Speaker to the Committee on Public Employees, Retirement and Social Security.

**Costs to Distributors of Applying Cigarette Tax Stamps
(Pursuant to Revenue and Taxation Code Section 30166.1)**

Above transmitted report, together with letter of transmittal from Ramon J. Hirsig, Executive Director, Board of Equalization, dated June 27, 2008, referred by the Speaker to the Committee on Revenue and Taxation.

**Progress and Achievements Towards Water Conservation Goals
(Pursuant to Assembly Bill 2515, Chapter 573, Statutes of 2006)**

Above transmitted report, together with letter of transmittal from Paul Clanon, Executive Director, Public Utilities Commission, dated June 30, 2008, referred by the Speaker to the Committee on Utilities and Commerce.

**2008 Healthy Families Program
Supplement to the 2007 Federal Annual Report
(Pursuant to Insurance Code Sections 12693.92 and 12693.93)**

Above transmitted report, together with letter of transmittal from Lesley Cummings, Executive Director, California Managed Risk Medical Insurance Board, dated July 3, 2008, referred by the Speaker to the Committee on Health.

**Design Sequencing
(Pursuant to Senate Bill 1210, Chapter 795, Statutes of 2004)**

Above transmitted report, together with letter of transmittal from Will Kempton, Director, Department of Transportation, dated July 3, 2008, referred by the Speaker to the Committee on Transportation.

**Reimbursable Projects Implemented Prior to Allocation
(Pursuant to Assembly Bill 872, Chapter 572, Statutes of 1999)**

Above transmitted report, together with letter of transmittal from Richard Harmon, Assistant Deputy Director, Division of Legislative and Local Government Affairs, Department of Transportation, dated July 3, 2008, referred by the Speaker to the Committee on Transportation.

**2008 Evaluation of People with Developmental Disabilities
Moving from Developmental Centers into the Community
(Pursuant to Senate Bill 391, Chapter 294, Statutes of 1997)**

Above transmitted report, together with letter of transmittal from Deborah L. Hunt, Ph.D., Research Director, California State University, Sacramento, dated June 30, 2008, referred by the Speaker to the Committee on Health.

**Progress Report for Development and Implementation of
Security Standards for State Buildings
(Pursuant to Budget Act 2007, Item 1760-001-0666)**

Above transmitted report, together with letter of transmittal from Will Bush, Director, Department of General Services, dated June 4, 2008, stating availability of report at <http://www.legi.dgs.ca.gov/Publications/2008LegislativeReports.htm>, referred by the Speaker to the Committee on Business and Professions.

CONFERENCE COMMITTEE REPORTS RECEIVED

Assembly Chamber, Received at Desk: July 17, 2008

Mme. Speaker: The Committee on Conference has met concerning:

Assembly Bill No. 1781, as amended in Senate on June 4, 2008, and agreed to recommend that the amendments of the Senate be concurred in, and that the bill be further amended.

The undersigned Members consenting to the report:

DENISE MORENO DUCHENY	MARK LENO
MICHAEL MACHADO	JOHN LAIRD

Senate Committee on Conference	Assembly Committee on Conference
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The undersigned Members dissenting to the report:

BOB DUTTON	ROGER NIELLO
Senate Committee on Conference	Assembly Committee on Conference

Above bill ordered reprinted, as proposed by the Conference Committee.

SPECIAL COMMITTEE MEETINGS

By unanimous consent, the following committee was permitted to meet:

Water, Parks and Wildlife to hold a joint informational hearing with the Senate Committee on Natural Resources and Water, on Tuesday, August 5, 2008, at 9:30 a.m., in Room 112.

KAREN BASS, Speaker

SUE PARKER, Minute Clerk

**AMENDMENTS CONSIDERED BY THE
ASSEMBLY ON JULY 17, 2008**

The following measures were amended in the Assembly on this day:

AB	RN	
1781	0822434	(Conf.)
Daily Total:		1
Cumulative Total:		5430

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