

CALIFORNIA LEGISLATURE

2013–14 REGULAR SESSION

ASSEMBLY JOURNAL

RECESS JOURNAL NO. 17

INTERIM STUDY RECESS

Assembly Chamber, Sacramento
Thursday, October 31, 2013

Pursuant to the provisions of Joint Rule 59, the following Assembly Journal for the 2013–14 Regular Session was printed while the Assembly was in Interim Study Recess.

COMMUNICATIONS

The following communications were presented by the Speaker, and ordered printed in the Journal:

October 7, 2013

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

RE: Appointment of Greg Thompson to
California Commission on Disability Access

Dear Mr. Wilson: Please be advised that I have appointed Mr. Greg Thompson to the California Commission on Disability Access. This is a term appointment starting October 7, 2013, and the expiration date is January 1, 2015.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

October 7, 2013

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

RE: Appointment of Howard Posner to
California Transportation Financing Authority

Dear Mr. Wilson: Please be advised that I have appointed Mr. Howard Posner to the California Transportation Financing Authority. This is a pleasure appointment starting October 7, 2013.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

October 7, 2013

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

RE: Reappointment of Allan S. Boodnick to
Baldwin Hills Conservancy Governing Board

Dear Mr. Wilson: Please be advised that I have reappointed Dr. Allan S. Boodnick to the Baldwin Hills Conservancy Governing Board. This is a term appointment starting November 28, 2013, and the expiration date is November 28, 2015.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

October 14, 2013

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

RE: Reappointment of Eric Alegria to
Prison Industry Board

Dear Mr. Wilson: Please be advised that I have reappointed Mr. Eric Alegria to the Prison Industry Board. This is a term appointment starting January 1, 2014, and the expiration date is January 1, 2018.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

October 14, 2013

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

RE: Reappointment of Conway Collis to
California Children and Families Commission

Dear Mr. Wilson: Please be advised that I have reappointed Mr. Conway Collis to the California Children and Families Commission. This is a term appointment starting December 12, 2013, and the expiration date is December 12, 2017.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

October 14, 2013

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

RE: Appointment of David Pettit to
Santa Monica Mountains Conservancy

Dear Mr. Wilson: Please be advised that I have appointed Mr. David Pettit to the Santa Monica Mountains Conservancy. This is a pleasure appointment starting October 14, 2013.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

October 22, 2013

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

RE: Appointment of Brian Muller to
Instructional Quality Commission

Dear Mr. Wilson: Please be advised that I have appointed Dr. Brian Muller to the Instructional Quality Commission. This is a term appointment starting October 22, 2013, and the expiration date is October 22, 2017.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

October 22, 2013

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

RE: Reappointment of Donna Benton to
 California Commission on Aging

Dear Mr. Wilson: Please be advised that I have reappointed Dr. Donna Benton to the California Commission on Aging. This is a term appointment starting January 21, 2014, and the expiration date is January 21, 2017.

Sincerely,

JOHN A. PÉREZ
 Speaker of the Assembly

The following communications were presented by the Chief Clerk, and ordered printed in the Journal:

Explanation of Vote—May 23, 2013
Assembly Bill No. 663

October 24, 2013

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

Dear Mr. Wilson: On Thursday, May 23, 2013, I inadvertently voted “No” on AB 663 (Gomez) when it was my intention to vote “Aye.” I respectfully request that this letter be printed in the Journal to reflect that my intention was to vote “Aye” on AB 663. Thank you for assistance.

Sincerely,

SHIRLEY N. WEBER, Assembly Member
 Seventy-ninth District

Explanation of Vote—September 12, 2013
Assembly Bill No. 1208

October 29, 2013

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

Dear Mr. Wilson: On Thursday, September 12, 2013, during the Assembly Floor Session, I was inadvertently recorded as a “No” on Assembly Bill 1208 (Pan). My intention was to vote “Aye.” Unfortunately I was not aware of the error in time to record my vote correctly before we adjourned. Please accept this letter to be printed in the Assembly Journal.

Sincerely,

NANCY SKINNER, Assembly Member
 Fifteenth District

REPORTS

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

California State Auditor

2013-601
September 26, 2013

*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 authorized by Chapter 251, Statutes of 2004, the California State Auditor presents this audit report assessing high-risk issues the State and selected state agencies face. Systematically identifying and addressing high-risk issues can contribute to enhanced efficiency and effectiveness by focusing the State's resources on improving the delivery of services related to important programs or functions.

We have added the 2011 realignment of funding and responsibility between the State and local governments to the high-risk list. Realignment shifts funding and responsibility for certain criminal justice and social services programs, totaling approximately \$6 billion, primarily to county governments. The State does not currently have access to robust data concerning the results of realignment. As a result, the impact of realignment cannot be fully evaluated at this time. Even so, initial data indicates that local jails may not have adequate capacity and services to handle the influx of inmates caused by realignment.

We believe the State continues to face eight other significant high-risk issues: the state budget, funding for the California State Teachers' Retirement System, funding retiree health benefits for state employees, funding for deteriorating infrastructure, ensuring a stable supply of electricity, workforce and succession planning, strengthening emergency preparedness, and providing effective oversight of the State's information technology projects. We further believe that three state agencies continue to meet our criteria for high risk as they face challenges in their day-to-day operations: the California Department of Corrections and Rehabilitation, the California Department of Health Care Services, and the California Department of Public Health.

We will continue to monitor the risks we have identified in this report and the actions the State takes to address them. When the State's actions result in significant progress toward resolving or mitigating these risks, we will remove the high-risk designation based on our professional judgment.

Respectfully submitted,

ELAINE M. HOWLE, CPA
State Auditor

Above report referred to the Committee on Accountability and Administrative Review.

California State Auditor

2013-107
October 15, 2013

*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 California State Auditor presents this audit report concerning state bank accounts that exist outside of the treasury system (outside accounts) and their oversight.

This report concludes that funds in outside accounts generally serve valid purposes, such as safeguarding money held in trust or allowing for certain benefits and efficiencies that are not available through California's Centralized Treasury System. As of June 30, 2012, the State's departments, agencies, and other entities (state agencies) had approximately \$9.3 billion in nearly 1,400 outside accounts. For most of this money, state agencies have properly created and maintained the accounts. Also, the California Department of Finance (Finance), the Office of the State Treasurer (state treasurer), and the California State Controller's Office (state controller) each fulfilled its responsibility for authorizing and reporting on these outside accounts. Nonetheless, weaknesses in the control agencies' tracking of these outside accounts have created potential problems. These weaknesses include the state controller's failure to include all the state agencies that have outside accounts in its annual reporting on such agencies as well as the state treasurer's uncertainty about the existence of sufficient collateral—safeguards in the form of securities deposited at outside institutions—for all of the balances in outside accounts. The state agencies we reviewed, with the exception of the California Department of Forestry and Fire Protection (Cal Fire), properly created and generally have adequate controls related to their outside accounts. However, as discussed in the report, we found that it is still possible for an agency to bypass state rules and its own policies.

Cal Fire had \$3.7 million in settlement payments for the cost of fire suppression and investigation (cost recovery revenues) deposited into an outside account—the Wildland Fire and Investigation Training and Equipment Fund (Wildland Fire Fund)—that was neither authorized by statute nor approved by Finance. Further, it did not subject the money in this outside account to its own internal controls, nor did it adequately track or monitor the account's revenues. As a result, this portion of Cal Fire's cost recovery revenue was not subject to Cal Fire's normal internal controls or to oversight by the control agencies or the Legislature, leaving Cal Fire open to possible misuse of these revenues.

Respectfully submitted,

ELAINE M. HOWLE, CPA
State Auditor

Above report referred to the Committee on Banking and Finance.

California State Auditor

2013-102
October 31, 2013

*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 California State Auditor (state auditor) presents this audit report concerning the Employment Development Department's (department) services to help veterans find employment.

The report concludes that the department has consistently failed to meet certain goals the U.S. Department of Labor (Labor) established to assist veterans with finding employment. In April 2013 Labor notified the department of multiple lapses in program accountability and reported that the department did not meet key performance measures for the veterans program. In fact, Labor indicated that California is among the lowest performing states when measuring the rate at which veterans participating in the department's programs find jobs. We also determined that while the department routinely reports performance data to Labor, it does not make programmatic decisions based on how veterans fare in obtaining employment compared to nonveterans. Furthermore, the department does not have a formal data collection process to track goals the department established in its five-year plan for the Jobs for Veterans State Grant. Overall, we noted that the department's approach to managing its veterans programs has been to focus on complying with federal grant management requirements instead of finding ways to use its existing data to identify opportunities to improve services to veterans.

We also determined that the poor quality of the data California uses to report information to Labor on participants in its workforce development system, and the methodology the department uses to collate those data call into question the validity of California's performance statistics. The department uses its Base Wage File to report on the rate at which veterans find and retain employment and their average earnings. However, in analyzing information in the Base Wage File, we identified more than 1,400 instances where a single Social Security number was associated with 10 or more names. We noted one instance where one Social Security number was associated with 162 different names. In addition to raising concern about the validity of California's performance statistics, the existence of different names associated with one Social Security number is a possible indicator of identity theft. Yet, according to the department it does not investigate errors in this file until individuals apply for unemployment benefits.

Respectfully submitted,

ELAINE M. HOWLE, CPA
State Auditor

Above report referred to the Committee on Labor and Employment.

SPECIAL COMMITTEE MEETINGS

By unanimous consent, the following committees were permitted to meet:

Health, to convene jointly with Education, on Thursday, November 21, 2013, at 9 a.m., in Room 4202;

Select Committee on Justice Reinvestment, on Monday, October 21, 2013, at 10 a.m.;

Select Committee on Youth and California's Future, on Thursday, November 21, 2013, at 1 p.m., in Sacramento;

Banking and Finance, on Thursday, December 5, 2013, at 1 p.m., in San Francisco;

Insurance, on Wednesday, November 6, 2013, at 11 a.m., in Room 437;

Select Committee on Homelessness to convene jointly with Housing and Community Development on Tuesday, November 12, 2013, at 1 p.m.;

Labor and Employment, to convene jointly with the Senate Labor and Industrial Relations Committee, on Wednesday, November 6, 2013, at 1:30 p.m., in Room 447;

Local Government, on Tuesday, December 10, 2013, at 10:30 a.m.;

Labor and Employment, on Thursday, November 7, 2013, at 10 a.m., in San Francisco.

JOHN A. PÉREZ, Speaker

AMY LEACH, Minute Clerk