

CALIFORNIA LEGISLATURE

2001-02 REGULAR SESSION

ASSEMBLY JOURNAL

RECESS JOURNAL NO. 7

ORGANIZATIONAL RECESS

Assembly Chamber, Sacramento
Tuesday, December 19, 2000

Pursuant to the provisions of Joint Rule 59, the following Assembly Journal for the 2001-02 Regular Session was printed while the Assembly was in Organizational Recess:

REPORTS

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

California State Auditor

2000-108
November 30, 2000

*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 process for granting accommodations to students with disabilities when taking college admissions tests, such as the Scholastic Aptitude Test (SAT), and other standardized exams like those administered under the Standardized Testing and Reporting program.

This report concludes that although few students receive extra time on standardized tests, some may not deserve it while other students may not be getting the assistance they need. Less than 1.2 percent of California seniors graduating in 1999 who took the SAT received extra time. However, these students were disproportionately white, or were more likely to come from an affluent family or to attend a private school. We also found that some students may not be getting the assistance they need because of a lack of awareness of Section 504 of the Rehabilitation Act of 1973 and weaknesses in district processes for

identifying students with suspected disabilities. Finally, some students may have received unwarranted extra time on standardized tests, possibly giving them an unfair advantage over other students taking the same tests.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Above report referred to the Committee on Education.

California State Auditor

2000-127
December 14, 2000

*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 Transportation's (department) State Route 710 historic properties rehabilitation project.

This report concludes that the department did not use a strategic approach to ensure it would complete the project within the authorized funding. As a result, the department has rehabilitated only 39 of the 92 historic properties it currently owns and has nearly exhausted the \$19.4 million in funding it received to complete the entire project. Further, although it implemented certain cost-reduction measures, the department cannot demonstrate that it used the most cost-effective methods when performing work and that it exercised the discretion allowed by federal guidelines. Finally, the department relied on an undocumented process to ensure the work performed complied with applicable codes, and thus it has limited assurance that all relevant code requirements were considered and applied properly.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Above report referred to the Committee on Transportation.

California State Auditor

99138
December 19, 2000

*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 California Public Employees' Retirement System's (CalPERS) investment policy and procedures related to its international investments and its investment in five specific foreign companies.

This report concludes that although CalPERS uses external managers to administer its international investment portfolio, it has reasonable procedures for selecting, contracting with, and overseeing these entities. In addition, CalPERS bases its foreign investment policy primarily on financial factors and has limited the investments its external managers make to those financial markets that it has screened for their ability to support large investors, such as CalPERS. These international investment policies are consistent with CalPERS' responsibilities as set forth in both state and federal law. Finally, CalPERS and its external managers evaluated the financial returns and followed federal law when investing in the five companies that were specified in the audit request. Because of a lack of information from credible sources that would also be generally available to institutional investors, we were unable to determine the validity of the allegations raised against these companies.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Above report referred to the Committee on Public Employees, Retirement and Social Security.

California State Auditor

2000-002.1
December 4, 2000

*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 (bureau) presents its audit report concerning our review of the Department of Health Services' (department) financial statements for the Safe Drinking Water State Revolving Fund and its compliance with federal laws and regulations applicable to the Capitalization Grants for Drinking Water State Revolving Fund program (program) for the year ended June 30, 2000. The department contracted with the bureau to perform this audit to satisfy a federal audit requirement.

This report concludes that the department's Safe Drinking Water State Revolving Fund financial statements are fairly presented. However, the department did not always comply with federal laws and regulations governing allowable costs and cost principles applicable to the program. Although none of the problems we identified are significant to the program, when the department does not comply with the requirements, it risks incurring costs that the federal government may later disallow.

Respectfully submitted,

ELAINE M. HOWLE
State Auditor

Above report referred to Committee on Environmental Safety and Toxic Materials.

REPORTS

The following reports were presented by the Chief Clerk:

**1999 Annual Report—Organized Crime in California
(Pursuant to Government Code Section 15028)**

Above transmitted report, together with letter of transmittal from Chris Janzen, Director, Department of Justice, dated December 8, 2000, referred by the Speaker to the Committee on Public Safety.

**Quality of Life for Persons with Developmental Disabilities
Moving from Developmental Centers into the Community
(Pursuant to Welfare and Institutions Code Section 4418.1 (a)–(j))**

Above transmitted report, together with letter of transmittal from Cliff Allenby, Director, Department of Developmental Services, dated November 30, 2000, referred by the Speaker to the Committee on Human Services.

**California Public Employees' Retirement System
Report on Audit of the General Purpose Financial Statements
(Pursuant to Government Code Section 20228)**

Above transmitted report, together with letter of transmittal from William Dale Crist, President, Board of Administration, California Public Employees' Retirement System, dated June 30, 2000, referred by the Speaker to the Committee on Public Employees, Retirement and Social Security.

**California State Lottery Fund Financial Statements
(Pursuant to Government Code Section 8880.22)**

Above transmitted report, together with letter of transmittal from Patricia Eberhart, Chief, Finance Department, California Lottery, dated September 30, 2000, referred by the Speaker to the Committee on Governmental Organization.

**Disabled Veteran Business Enterprise
Participation in Contracts for Fiscal Year 1998–99
(Pursuant to Public Contract Code Section 10115.5)**

Above transmitted report, together with letter of transmittal from Diana M. Bontá, R.N., Dr. P.H., Director, Department of Health Services, dated December 8, 2000, referred by the Speaker to the Committee on Utilities and Commerce.

INTRODUCTION OF ASSEMBLY BILLS

The following bill was introduced:

ASSEMBLY BILL NO. 72—Bates. An act to amend Sections 1431 and 1444.5 of the Code of Civil Procedure, relating to housing, and making an appropriation therefor.

ROBERT M. HERTZBERG, Speaker

PAM CAVILEER, Minute Clerk