

CALIFORNIA LEGISLATURE

2013–14 REGULAR SESSION

ASSEMBLY JOURNAL

RECESS JOURNAL NO. 21

INTERIM STUDY RECESS

Assembly Chamber, Sacramento
Friday, December 20, 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:

December 5, 2013

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

RE: Reappointment of Samuel Garrison to
Managed Risk Medical Insurance Board

Dear Mr. Wilson: Please be advised that I have reappointed Mr. Samuel Garrison to the Managed Risk Medical Insurance 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

December 5, 2013

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

RE: Reappointment of Steven Afriat to
Dental Board of California

Dear Mr. Wilson: Please be advised that I have reappointed Mr. Steven Afriat to the Dental Board of California. This is a term appointment starting December 5, 2013, and the expiration date is January 1, 2017.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

December 6, 2013

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

RE: Reappointment of Michael Hart to
Employment Training Panel

Dear Mr. Wilson: Please be advised that I have reappointed Mr. Michael Hart to the Employment Training Panel. This is a term appointment starting January 1, 2014, and the expiration date is January 1, 2016.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

December 6, 2013

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

RE: Reappointment of Jaime Lee to
Speech-Language Pathology and Audiology and Hearing Aid
Dispensers Board

Dear Mr. Wilson: Please be advised that I have reappointed Ms. Jaime Lee to the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board. This is a term appointment starting December 6, 2013, and the expiration date is November 30, 2017.

Sincerely,

JOHN A. PÉREZ
Speaker of the Assembly

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

Per Diem

December 20, 2013

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

Dear Mr. Wilson: I respectfully decline the \$21.14 increase to my legislative per diem that began in October 2013. I would like to keep my per diem level the same as when I was sworn into office in December 2012, \$141.86. If you have any questions or need any additional information, please contact me at (916) 319-2060.

In service,

ERIC F. LINDER, Assembly Member
Sixtieth District

SPECIAL COMMITTEE MEETINGS

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

Arts, Entertainment, Sports, Tourism, and Internet Media, on Tuesday, January 14, 2014, at 9 a.m., in Room 444;

Banking and Finance, on Thursday, February 6, 2014, at 2 p.m., in San Francisco;

Higher Education, on Tuesday, January 14, 2014, at 1:30 p.m., in Room 447;

Assembly Select Committee on Gun Violence in the East Bay, to convene jointly with the Assembly Select Committee on the Status of Boys and Men of Color, on Tuesday, December 17, 2013, at 2:30 p.m., in Oakland;

Assembly Select Committee on Job Creation for the New Economy, on Friday, January 24, 2014, in the 65th Assembly District;

Public Employees, Retirement and Social Security, to convene jointly with the Senate Committee on Public Employment and Retirement, on Wednesday, January 22, 2014, at 10 a.m., in Room 444;

Assembly Select Committee on Sea Level Rise and the California Economy, on Thursday, January 16, 2014, at 9 a.m., in Room 126;

Joint Legislative Audit Committee, to include an additional agenda item for the previously scheduled hearing, on Monday, December 16, 2013.

REPORTS

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

California State Auditor

Investigative Report I2011-0837

October 17, 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: Pursuant to the California Whistleblower Protection Act, the California State Auditor presents this investigative report concerning the wasteful and improper contracting practices of a veterans home administrator under the California Department of Veterans Affairs (Veterans Affairs). The administrator's actions in executing two specific contracts demonstrated her disregard for state contracting rules and the importance of using funds reserved specifically for veterans in a prudent manner.

This report concludes that the veterans home administrator wasted \$652,919 in state-managed funds when she entered into two contracts on behalf of the home. The first contract was for the construction and operation of an adventure park featuring seven zip lines on almost 200 acres of state property. This contract cost the State \$228,612 to terminate after Veterans Affairs' top management learned about it and halted construction. The second contract was for the operation of a café and tavern at the home, which did not comply with state contracting requirements and needlessly cost \$424,307 over nearly a two-year period, even though the café and tavern could have been operated by another entity at little to no cost to the home.

The contracts were a product of the administrator neglecting her duty to evaluate whether the contracts complied with state contracting requirements, constituted a prudent use of the home's resources, and served the best interests of the residents of the home. We also found that the administrator's former supervisor, a member of Veterans Affairs' executive staff, neglected his duty to monitor the facilities of the home and oversee the administrator's activities.

Respectfully submitted,

ELAINE M. HOWLE, CPA
State Auditor

Above report referred to the Committee on Veterans Affairs.

California State Auditor

2013-103
October 29, 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 reporting and identification of persons with mental illness who are prohibited from owning or possessing a firearm.

This report concludes that the Department of Justice (Justice) has not sufficiently reached out to superior courts (courts) or mental health facilities to remind them of firearm prohibition reporting requirements in state law. We surveyed 34 courts that did not appear to be submitting firearm prohibition reports to Justice's mental health unit from 2010 through 2012 and learned that most of them were unaware of the reporting requirements. Those courts who were able to do so indicated that they had not reported about 2,300 mental health determinations to Justice over the three-year period. We also visited three courts that did report information—Los Angeles, San Bernardino, and Santa Clara—and found these courts did not report all required mental health determinations to Justice. Further, Justice was not aware of and has not reached out to all mental health facilities in the State that were approved to treat reportable individuals.

Justice needs to improve its controls over processing the information about persons with mental illness that it receives from reporting entities. For example, we found that some key staff decisions, such as determining that a specific individual is not an armed prohibited person, are not subject to supervisory review once staff complete training. In fact, three of eight such decisions we reviewed were incorrect, and the lack of supervisory review may have contributed to these incorrect decisions. Similarly, decisions to delete prohibition information in the Mental Health Firearms Prohibition System do not require supervisory review.

In May 2013 the governor signed into law a \$24 million appropriation to provide additional support to Justice's effort to confiscate firearms from individuals it has identified as armed prohibited persons. As of July 2013 Justice reported that more than 20,800 persons were still deemed to be armed prohibited persons for a variety of reasons not limited to mental health, and these persons had not had their firearms confiscated. Justice has begun the process of hiring additional enforcement agents. However, because Justice uses the information it receives from courts and mental health facilities to identify persons who

are prohibited from possessing a firearm, Justice must improve its outreach to these entities and strengthen its management of the information it does receive to ensure it does all it can to protect the public.

Respectfully submitted,

ELAINE M. HOWLE, CPA
State Auditor

Above report referred to the Committee on Public Safety.

California State Auditor

2013-101
November 21, 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 administration of the Salton Sea Restoration Fund (Restoration Fund). The Salton Sea is the State's largest inland lake and serves as an important fishery and wildlife habitat. However, beginning in 2003, a series of agreements, known collectively as the Quantification Settlement Agreement (QSA), between the State, local water agencies, and other entities require, among other things, a water transfer that has reduced the amount of water that flows into the sea. Legislation enacted in 2003 to facilitate the implementation of the QSA, also establishes the State's broad goals for restoring the Salton Sea and established the Restoration Fund.

This report concludes that under the QSA, the State has agreed to assume sole responsibility for payment of the costs for environmental mitigation requirements in excess of the first \$133 million (in 2003 dollars), an amount that the QSA requires three local water agencies to pay for this purpose. Although no formal analysis has been conducted, it is roughly estimated that the water agencies could exhaust most of their mitigation contributions as early as 2025, at which time any State financial obligations will commence. However, to date the State has not performed an estimate of these costs. To address restoration of the Salton Sea, the Legislature required the secretary of the California Natural Resources Agency (Resources Agency) to propose alternatives for restoring the Salton Sea. Although the Resources Agency identified various alternatives in 2007, none of them have been fully funded which may be due to the high costs of the alternatives presented—ranging from \$2.3 billion to \$8.9 billion to construct.

Absent restoration efforts, experts agree that the negative impacts on the Salton Sea will be significant. In fiscal year 2013–14, the Legislature provided funding to the Resources Agency to coordinate with a local entity to create a feasibility study to, among other things, develop feasible alternatives for inclusion in a restoration plan and to develop funding options to achieve restoration goals. However, the provisions governing the feasibility study do not impose a specific deadline for completing the study, do not fully prioritize the steps that must be taken in order to achieve the State's broad restoration goals, and

do not require the identification of restoration activities that could lessen the State's future mitigation costs. By performing restoration activities now that are also designed to reduce the need to undertake mitigation activities in the future, the State could potentially decrease its future mitigation costs. Further, the Resources Agency has taken an incremental approach to restoring the Salton Sea and over the last several years has worked with the California Department of Fish and Wildlife and the California Department of Water Resources on planning a project that calls for the restoration of 3,770 acres of the sea—a small fraction of the hundreds of thousands of acres the sea comprises—at an estimated cost of \$132 million.

Respectfully submitted,

ELAINE M. HOWLE, CPA
State Auditor

Above report referred to the Committee on Water, Parks and Wildlife.

California State Auditor

2013-604
December 3, 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 California Government Code, Section 8546.5, the California State Auditor (state auditor) presents this report designating education as a high-risk issue in California. The State is responsible for educating over 6 million students in the kindergarten through 12th grade (K–12) levels and over 2 million higher education students. Despite California spending \$42 billion of the \$88 billion in State General Fund expenditures on education for fiscal year 2011–12, this investment has not produced the desired outcomes.

This report concludes that recent changes in education have created potential challenges associated with economy, efficiency, and effectiveness. California recently changed the way it allocates funds for K–12 education. This new funding approach—called the local control funding formula (funding formula)—is intended to simplify how local educational agencies (LEAs) are funded and provide them with more control over how they spend the funds. The State intends to invest \$25 billion in new funding to fully implement the funding formula by fiscal year 2020–21, but reaching that level of funding will require significant and sustained growth in the State's revenues. In addition, California adopted the common core state standards (common core), which change the way teachers educate K–12 students. Although proponents believe common core promises to better prepare K–12 students for college and the workforce, its implementation poses significant challenges including the need for professional development for teachers; changes to curriculum, instructional materials, and student assessments; and increased investments in technology. Implementing common core is costly: in fiscal year 2013–14 the State committed \$1.25 billion to help LEAs offset their costs, but LEAs will certainly incur additional costs.

Further, California's public universities are facing challenges associated with funding and access to education. For example, after years of uncertain funding, the University of California (UC) and the California State University (CSU) systems continue to seek a stable and predictable funding stream. Also, due to budget constraints, students seeking to attend a California public university may face several barriers to accessing this education—the UC and CSU systems have raised tuition to curb enrollment growth and the California Community College system has increased class sizes and cut courses and programs.

Respectfully submitted,

ELAINE M. HOWLE, CPA
State Auditor

Above report referred to the Committee on Higher Education.

California State Auditor

2012-113
December 10, 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 extended education at the California State University (CSU). Extended education courses and programs are *self-supported* and are typically paid for by students or third parties, such as employers. We examined extended education at the CSU's Office of the Chancellor (Chancellor's Office) and three of the 23 campuses: CSU Long Beach, CSU Sacramento, and San José State University (San José State). This report concludes that although state law and executive orders issued by the Chancellor's Office prohibit campuses from supplanting state-supported courses with self-supported courses during the regular academic year, they do not define the word supplant. It is not clear whether the state law and executive orders intended to prohibit a campus from replacing all state-supported sections of a course that it would normally offer during the regular academic year with self-supported versions of the same course, or whether replacing some of the sections of that course with self-supported versions would also violate the prohibition. Using a narrower definition, we identified 26 courses where potential supplanting may have occurred. Using a broader definition, we identified 914 instances when the number of state-supported sections of a course declined and the number of self-supported sections for the same course increased from one year to the next.

Contrary to the CSU student fee policy, the three campuses did not always prepare statements of revenues and expenditures when setting fees for extended education programs. Also, two of the three campuses raised student fees using unjustified methodologies. Further, the Chancellor's Office can improve its oversight of extended education fees by reviewing each campus's inventory of fees to determine their appropriateness. Until it does so, the Chancellor's Office cannot identify extended education fees that may be more than adequate to

cover the costs of courses and programs. Finally, campuses need to improve their oversight of extended education expenditures. Because of insufficient documentation, we were unable to conclude that 10 of the 41 extended education transactions we tested were reasonable, allowable, or related to the support and development of extended education instructional programs.

Respectfully submitted,

ELAINE M. HOWLE, CPA
State Auditor

Above report referred to the Committee on Higher Education.

CERTIFICATE OF ELECTION

The following Certificate of Election was presented and ordered printed in the Journal:

CERTIFICATE OF ELECTION

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That according to information concerning the statement of the results of the Special Primary Election held on the 3rd day of December, 2013, on file in my office,

Sebastian Ridley-Thomas

was elected to the office of

STATE ASSEMBLY MEMBER, DISTRICT 54

IN WITNESS WHEREOF, I hereunto set my hand
and affix the Great Seal of the State of California,
at Sacramento, this 13th day
of December, 2013.



DEBRA BOWEN
Secretary of State

JOHN A. PÉREZ, Speaker

AMY LEACH, Minute Clerk