

APPENDIX A

Summary of Recommendations for Legislative Consideration by Policy Area

Table A.1 presents a summary of the recommendations the Bureau of State Audits directed to the Legislature from January 2003 through December 2004. Reports describing these recommendations are also identified in this table. For the status of the Legislature’s actions with regards to these recommendations refer to the page numbers listed next to each recommendation.

TABLE A.1

Recommendations Directed to the Legislature

Policy Area/Report Number and Title	Page	Recommendation
Aging and Long-Term Care		
2003-111, Oversight Of Long-term Care Programs: Opportunities Exist to Streamline State Oversight Activities	4	We recommended that to minimize duplication of effort in adult day health care oversight and potentially lessen the resulting burden on health care centers, the Department of Health Services should incorporate the Department of Aging’s certification review into its licensing review, combine the licensing and certification regulations, and coordinate to the extent possible any Medi-Cal field office oversight activities to occur during the licensing and certification reviews. If the Department of Health Services determines a statutory change is necessary to implement our recommendation, it should ask the Legislature to consider changing the statutes governing the adult day health care program.
	5	We also recommended that the Legislature should consider allowing a single license that authorizes all the long-term care services a PACE provider offers, regardless of the facility that provides the services.
Agriculture and Water Resources		
2003-137, California’s Independent Water Districts: Reserve Amounts Are Not Always Sufficiently Justified, and Some Expenses and Contract Decisions Are Questionable	17	We recommended that the Legislature consider amending the California Water Code to require all water districts to develop and implement comprehensive reserve policies that include the key elements discussed in this report and outlined in our recommendation to the water districts.

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Policy Area/Report Number and Title	Page	Recommendation
2002-016, Water Replenishment District of Southern California: <i>Although the District Has Addressed Many of Our Previous Concerns, Problems Still Exist</i>	26	To ensure that the district has sufficient funds to meet its statutory responsibilities and to show its commitment to its reserve-funds policy, we recommended that the Water Replenishment District of Southern California (district) set its assessment rate at a level that will support the district's planned activities and allow it to replenish its reserve funds, if necessary, and keep them at an appropriate level. We also recommended that the district reevaluate the assumptions that underlie the amount it targets to have available as reserve funds and, if necessary, seek legislative approval to revise the amount allowed as reserve funds.
	28	In addition, to ensure that the district continues to collaborate with ratepayers on projects, we recommended that the district pursue its plan to revise its administrative code to make the technical advisory committee part of its process for reviewing and approving capital improvement projects. If the district fails to implement this recommendation, the Legislature should consider extending the committee at least until the committee has had the opportunity to participate in the process of periodically updating the district's capital improvement plan.
Appropriations		
2004-140, Department of Transportation: <i>Various Factors Increased Its Cost Estimates for Toll Bridge Retrofits, and Its Program Management Needs Improving</i>	65	We recommended that the Legislature require Caltrans to submit quarterly reports within a given time period, and that it require Caltrans to certify these reports and to include additional financial information in them. Also, in reviewing the options to complete the East Span, we recommended that the Legislature consider requesting that Caltrans provide sufficient detail to understand the financial implications of each option, including a breakdown of costs for capital outlay, support, and contingencies at the project and program level.
2003-107, California Department of Education: <i>The Extensive Number and Breadth of Categorical Programs Challenges the State's Ability to Reform and Oversee Them</i>	75	We recommended that when the Legislature considers future reform proposals calling for the consolidation of categorical programs into block grants, it should ensure that proposals contain: accountability provisions that include a focus toward program results and outcomes; and allocation methods that reflect the recipient's need, ability to contribute to program costs, and cost of providing services.
	77	In addition, when the Legislature considers future reform proposals calling for the consolidation of categorical programs into block grants, we recommended that it should determine whether categorical programs involving federal programs are appropriate candidates for consolidation. Further, the Legislature should consider whether the reform proposal (1) is consistent with any legal restrictions that may apply to any particular funds and the State's constitutional obligation to provide equal educational opportunities within the public school system and (2) includes mechanisms by which the State can monitor and ensure that it meets those obligations. Finally, the Legislature should determine whether state or federal court decisions govern the funding of particular programs and ensure that block grant proposals continue to meet those mandates.

Policy Area/Report Number and Title	Page	Recommendation
	78	Next, we recommended that if the Legislature concurs with California Department of Education's (CDE) exclusion of adult average daily attendance (ADA) when making allocations for the Targeted Instructional Improvement Grant Program (TIIG) program, it should enact language to clarify its definition of "total" ADA.
	79	Additionally, we recommended that if the Legislature desires CDE to properly calculate allocations the way the Legislature intends, it should define "regular" ADA for the California Public School Library Act program.
	81	We also recommended that if the Legislature continues to fund the School Improvement Programs in the annual budget and intends that CDE make adjustments to equalize the funding for schools with kindergarten through grade six using the same percentage increase made in base revenue limits for unified school districts with more than 1,500 ADA, it should enact language that provides CDE with specific instructions on how to compute the percentage increase.
	82	If the Legislature continues to fund the Miller-Unruh Basic Reading Act program in the annual budget, we recommended that it should ensure that CDE allocates Miller-Unruh reading specialist positions in a manner that gives first priority to school districts with underperforming schools and the lowest base revenue limits. Further, it should ensure that CDE reallocates unused positions in the following fiscal year.
	85	Finally, we recommended that if the Legislature intends CDE to provide oversight for TIIG, it should enact language specifically requiring CDE to do so. It should also enact language to define the term "lowest achieving pupils in the district."
2003-106, State Mandates: <i>The High Level of Questionable Costs Claimed Highlights the Need for Structural Reforms of the Process</i>	94	We recommended that the Legislature direct the Commission on State Mandates (commission) to amend the parameters and guidelines of the annual adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space. If the Commission amends these parameters and guidelines, the State Controller should amend its claiming instructions accordingly and require local entities to amend claims already filed.
2002-123.2, Federal Funds: <i>The State of California Takes Advantage of Available Federal Grants, but Budget Constraints and Other Issues Keep It From Maximizing This Resource</i>	100	We recommended that as federal grants are brought up for reauthorization, the Legislature, in conjunction with the California congressional delegation, may wish to petition Congress to revise grant formulas that use out-of-date statistics to determine the share of grants awarded to the states.
	103	We also recommended that the Legislature may wish to ask departments to provide information related to the impact of federal program funding when it considers cuts in General Fund appropriations.
Business and Professions and Governmental Organization		
2004-108, California Commission on Teacher Credentialing: <i>It Could Better Manage Its Credentialing Responsibilities</i>	127	We recommended that the Legislature consider giving the California Commission on Teacher Credentialing a specific policy directive to obtain and use data on teacher retention to measure the performance of the process and preparation programs and provide this information in its annual reports.

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2004-106, Wireless Enhanced 911: <i>The State Has Successfully Begun Implementation, but Better Monitoring of Expenditures and Wireless 911 Wait Times Is Needed</i>	137	The Legislature should consider the effects on future 911 projects when diverting funds from the 911 program.
2003-122, California Gambling Control Commission: <i>Although Its Interpretations of the Tribal-State Gaming Compacts Generally Appear Defensible, Some of Its Actions May Have Reduced the Funds Available for Distribution to Tribes</i>	161	<p>If the governor concludes the Gambling Control Commission's (Gambling Commission) interpretation and policies do not meet the intended purposes of the compact, the governor should consider renegotiating the compact with the tribes to clarify the intent of the compact language, to help resolve disputes over the interpretation of compact language, and to enable the efficient and appropriate administration of the trust fund in each of the following areas:</p> <ul style="list-style-type: none"> • The maximum number of licensed gaming devices that all compact tribes in the aggregate may have. • The offset of quarterly license fees by nonrefundable one-time prepayments. • The number of licensed gaming devices for which each tribe should pay quarterly license fees. • The date at which tribes should begin paying quarterly license fees. • Automatic placement of a tribe into a lower priority for subsequent license draws.
	167	The Gambling Commission should ensure that all staff are informed of its conflict-of-interest policy. Additionally, the Gambling Commission should seek clarification of the law governing the outside financial activities that commissioners may engage in.
2002-122, State Controller's Office: <i>Does Not Always Ensure the Safekeeping, Prompt Distribution, and Collection of Unclaimed Property</i>	205	To eliminate the State Controller's Office (controller) Bureau of Unclaimed Property's manual tracking of securities and dispel any impressions that it exercises judgment in deciding when is the best time to sell securities, thereby reducing the potential for errors, eliminating unnecessary work, and reducing the potential for litigation against the State, the controller should seek legislation to require it to sell securities immediately upon receipt.
2002-112, Statewide Procurement Practices: <i>Proposed Reforms Should Help Safeguard State Resources, but the Potential for Misuse Remains</i>	222	We recommended that the Department of General Services should seek a change in the current contracting and procurement laws if it wants to continue to exempt purchases from competitive bidding requirements because of special or unique circumstances.
2002-110, California State University: <i>Its Common Management System Has Higher Than Reported Costs, Less Than Optimal Functionality, and Questionable Procurement and Conflict-of-Interest Practices</i>	241	To ensure that California State University (university) takes appropriate action to prevent potential conflicts of interest in the future, the Legislature should consider requiring the university to provide periodic ethics training to designated university employees similar to that required by Government Code for designated state employees. Additionally, the Legislature should consider requiring the university to establish an incompatible activities policy for university employees similar to that addressed in Government Code, Section 19990.
Education		
2004-108, California Commission on Teacher Credentialing: <i>It Could Better Manage Its Credentialing Responsibilities</i>		This audit is also included in the Business and Professions and Governmental Organization policy area. See that policy area for the wording of our recommendation.

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2002-032, California's Education Institutions: A Lack of Guidance Results in Their Inaccurate or Inconsistent Reporting of Campus Crime Statistics	250	<p>We recommended that the Legislature should consider creating a task force to perform the following functions to provide additional guidance to California education institutions for complying with the Clery Act:</p> <ul style="list-style-type: none"> • Compile a comprehensive list converting crimes defined in California's laws to Clery Act reportable crimes. • Issue guidance to assist institutions in defining campus, noncampus, and public property locations, including guidelines for including or excluding crimes occurring at other institutions. • Obtain concurrence from the United States Department of Education on all agreements reached. • Evaluate the pros and cons of establishing a governing body to oversee institutions' compliance with the Clery Act.
2003-107, California Department of Education: The Extensive Number and Breadth of Categorical Programs Challenges the State's Ability to Reform and Oversee Them		This audit is also included in the Appropriations policy area. See that policy area for the wording of our recommendation.
2002-110, California State University: Its Common Management System Has Higher Than Reported Costs, Less Than Optimal Functionality, and Questionable Procurement and Conflict-of-Interest Practices		This audit is also included in the Business and Professions and Governmental Organization policy area. See that policy area for the wording of our recommendation.
Environmental Safety and Quality and Toxic Materials		
2003-113, California Integrated Waste Management Board: Its New Regulations Establish Rules for Oversight of Construction and Demolition Debris Sites, but Good Communication and Enforcement Are Also Needed to Help Prevent Threats to Public Health and Safety	272	We recommended that the Legislature may wish to consider amending the current provisions of the Waste Act that allow a stay of an enforcement order upon the request for a hearing, and to streamline or otherwise modify the appeal process to make it more effective and timely and enhance the ability to enforce the Waste Act.
2002-121, California Environmental Protection Agency: Insufficient Data Exists on the Number of Abandoned, Idled, or Underused Contaminated Properties, and Liability Concerns and Funding Constraints Can Impede Their Cleanup and Redevelopment	277	We recommended that to obtain a comprehensive listing of the number of orphan sites and sites with orphan shares, the Legislature should consider requiring the California Environmental Protection Agency and its entities to capture necessary data in their existing or new databases.
Health and Human Services		
2004-111, Sex Offender Placement: Departments That Are Responsible for Placing Sex Offenders Face Challenges, and Some Need to Better Monitor Their Costs	280	To most appropriately provide services and supports to its consumers, we recommended that the Department of Developmental Services (Developmental Services) consider seeking legislation to enable it and the regional centers to identify those consumers who are sex offenders by obtaining criminal history information from the attorney general. If the Legislature chooses not to allow access to criminal history information, Developmental Services should seek to modify its laws and regulations governing the individual program plan process to include a question that asks potential consumers if they must register as sex offenders.
	284	To enable the State to measure the success of the sexually violent predators component of the Conditional Release Program, we recommended that the Legislature consider directing the Department of Mental Health to conduct an evaluation of the program.

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2003-124, Department of Health Services: <i>Some of Its Policies and Practices Result in Higher State Costs for the Medical Therapy Program</i>	290	We recommended that the Department of Health Services seek specific statutory authority from the Legislature to fully fund county personnel whose jobs include coordinating the MTP with special education agencies as required by AB 3632. Should the Legislature decide to reduce the State's current funding for these activities, it should consider the implications of such an action on the State's responsibility under the federal Individuals with Disabilities Education Act to maintain a level of funding for special education and related services at least equal to the level of funding the State provided in the preceding fiscal year.
2003-111, Oversight Of Long-term Care Programs: <i>Opportunities Exist to Streamline State Oversight Activities</i>		This audit is also included in the Aging and Long-Term Care policy area. See that policy area for the wording of our recommendation.
2003-112, Department of Health Services: <i>It Needs to Better Plan and Coordinate Its Medi-Cal Antifraud Activities</i>	330	To ensure that the Department of Health Services and the Department of Justice promptly complete their negotiations for a current agreement that would assist both in communicating and coordinating their respective roles and responsibilities for investigating, referring, and prosecuting cases of suspected Medi-Cal provider fraud, we recommended that the Legislature consider requiring both agencies to report the status of the required agreement during budget hearings.
2003-113, California Integrated Waste Management Board: <i>Its New Regulations Establish Rules for Oversight of Construction and Demolition Debris Sites, but Good Communication and Enforcement Are Also Needed to Help Prevent Threats to Public Health and Safety</i>		This audit is also included in the Environmental Safety and Quality and Toxic Materials policy area. See that policy area for the wording of our recommendation.
2001-015, Statewide Fingerprint Imaging System: <i>The State Must Weigh Factors Other Than Need and Cost-Effectiveness When Determining Future Funding for the System</i>	376	We recommend that the Legislature should consider the pros and cons of repealing the state law requiring fingerprint imaging, including whether the Statewide Fingerprint Imaging System (SFIS) is consistent with the State's community outreach and education campaign efforts for the Food Stamp program. To assist the Legislature in its consideration of the pros and cons of repealing the state law that requires fingerprint imaging, the Department of Social Services and the Health and Human Services Agency Data Center should report on the full costs associated with discontinuing SFIS.
Information Technology		
2002-110, California State University: <i>Its Common Management System Has Higher Than Reported Costs, Less Than Optimal Functionality, and Questionable Procurement and Conflict-of-Interest Practices</i>		This audit is also included in the Business and Professions and Governmental Organization policy area. See that policy area for the wording of our recommendation.

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Jobs, Economic Development, and the Economy			
2002-018, Workers' Compensation Fraud: Detection and Prevention Efforts Are Poorly Planned and Lack Accountability	391	If the Fraud Assessment Commission believes that altering the funding formula from the statutorily required levels—under which 40 percent of fraud assessment funds are automatically awarded to both the fraud division and the district attorneys—would increase accountability over the use of antifraud program funds, we recommended that the fraud commission encourage legislation that would allow it more discretion in how these funds are distributed.	
	400	We recommended that the Department of Insurance should seek the necessary legal and regulatory changes in the fraud-reporting process. Barriers to adequate referrals include the following: <ul style="list-style-type: none"> • Lack of a uniform methodology and standards for assessing and reporting suspected fraud. • Regulations that poorly define when insurers should report suspected fraud to the fraud division. • Perceived exposure to civil actions when criminal prosecutions of referrals are not successful. 	
	404	To make certain that insurers do not withhold any portion of the fraud assessment surcharge, we recommended that the Department of Industrial Relations seek the authority and establish a method to verify that insurers report and submit the fraud assessment surcharges they collect from employers.	
	Report Number 2003-108.1, California's Workers' Compensation Program: The Medical Payment System Does Not Adequately Control the Costs to Employers to Treat Injured Workers or Allow for Adequate Monitoring of System Costs and Patient Care	415	We recommended that to ensure future legislation does not contain any unintended impediments to the improvement of the workers' compensation system, the administrative director should be proactive in working with the Legislature to identify and amend any provisions that would adversely affect the administrative director's ability to effect changes.
		418	Also, to ensure that the treatment guidelines can serve as an authoritative standard for the treatment of workers' injuries, we recommended that the administrative director seek the changes necessary in the Labor Code to ensure that all insurers and claims administrators are required to follow the standardized treatment guidelines and that treatment guidelines are accepted for use in judicial proceedings.
	Judiciary		
2002-030, State Bar of California: Although It Reasonably Sets and Manages Mandatory Fees, It Faces Potential Deficits in the Future and Needs to More Strictly Enforce Disciplinary Policies and Procedures	428	We recommended that the State Bar of California pursue a legislative amendment that would help it strengthen its enforcement authority over collections related to client security and disciplinary costs.	
Labor, Employment, and Industrial Relations			
2002-018, Workers' Compensation Fraud: Detection and Prevention Efforts Are Poorly Planned and Lack Accountability		This audit is also included in the Jobs, Economic Development, and the Economy policy area. See that policy area for the wording of our recommendation.	

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<p>Report Number 2003-108.1, California’s Workers’ Compensation Program: <i>The Medical Payment System Does Not Adequately Control the Costs to Employers to Treat Injured Workers or Allow for Adequate Monitoring of System Costs and Patient Care</i></p>		<p>This audit is also included in the Jobs, Economic Development, and the Economy policy area. See that policy area for the wording of our recommendation.</p>
<p>Local Government</p>		
<p>2003-137, California’s Independent Water Districts: <i>Reserve Amounts Are Not Always Sufficiently Justified, and Some Expenses and Contract Decisions Are Questionable</i></p>		<p>This audit is also included in the Agriculture and Water Resources policy area. See that policy area for the wording of our recommendation.</p>
<p>2002-016, Water Replenishment District Of Southern California: <i>Although the District Has Addressed Many of Our Previous Concerns, Problems Still Exist</i></p>		<p>This audit is also included in the Agriculture and Water Resources policy area. See that policy area for the wording of our recommendation.</p>
<p>2003-101, County Emergency Medical Services Funds: <i>Despite Their Efforts to Properly Administer the Funds, Some Counties Have Yet to Reach Full Compliance With State Laws</i></p>	<p>450</p>	<p>To clarify the law governing deposits of Maddy revenues in counties’ Emergency Medical Services Funds (EMS Funds), we recommended that the Legislature consider taking one of the following actions:</p> <ul style="list-style-type: none"> • Change the current statute to require counties to use the same standards for the amount of Maddy revenues counties can deposit in their EMS Funds, regardless of when the funds were established. • Specify how to calculate the allowable amount of growth in Maddy revenues from year to year, including which revenue sources to include and how to account for incomplete data from the years since June 1, 1991.
	<p>451</p>	<p>To ensure that counties’ use of EMS Funds is consistent with legislative intent, we recommended that the Legislature clarify whether counties may use the discretionary portion of their EMS Fund to pay for administrative costs.</p>
	<p>452</p>	<p>To provide greater consistency in the annual EMS Fund report that counties submit to the Legislature, we recommended that the Legislature consider directing the Emergency Medical Services Authority to revise the report format to specify the basis—preferably the accrual basis—they must use to report their fund balances. In addition, the revised format should include a requirement that counties explain any differences between the remaining balance of the prior year and the beginning balance of the year being reported.</p>
<p>2003-106, State Mandates: <i>The High Level of Questionable Costs Claimed Highlights the Need for Structural Reforms of the Process</i></p>		<p>This audit is also included in the Appropriations policy area. See that policy area for the wording of our recommendation.</p>
<p>Privacy and Public Safety</p>		
<p>2004-111, Sex Offender Placement: <i>Departments That Are Responsible for Placing Sex Offenders Face Challenges, and Some Need to Better Monitor Their Costs</i></p>		<p>This audit is also included in the Health and Human Services policy area. See that policy area for the wording of our recommendation.</p>
<p>2004-106, Wireless Enhanced 911: <i>The State Has Successfully Begun Implementation, but Better Monitoring of Expenditures and Wireless 911 Wait Times Is Needed</i></p>		<p>This audit is also included in the Business and Professions and Governmental Organization policy area. See that policy area for the wording of our recommendation.</p>

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2003-130, California Department of Corrections: <i>Its Plans to Build a New Condemned-Inmate Complex at San Quentin Are Proceeding, but Its Analysis of Alternative Locations and Costs Was Incomplete</i>	482	We recommended that if the Legislature decides that it wants a more complete analysis regarding the optimal location for housing male condemned inmates, it consider requiring the Department of Corrections (department) to assess the costs and benefits of relocating the condemned-inmate complex to each of the current prison locations possessing either adequate available land for such a facility or an existing adequate facility, including in its assessment the relative importance and costs associated with each site's remoteness.
	483	We recommended that if the Legislature decides that it wants a more complete analysis regarding the optimal location for housing male condemned inmates, it consider requiring the department to analyze the estimated annual operating and maintenance costs of a new condemned-inmate complex at other locations with adequate available land or facilities, compared to those it expects to incur at San Quentin.
	484	We recommended that if the Legislature decides that it wants a more complete analysis regarding the optimal location for housing male condemned inmates, it consider requiring the department, in order to provide more accurate estimates of future numbers of condemned inmates, to include all relevant factors in future estimates, such as the number of inmates who leave death row for various reasons, including commuted sentences and death.
Revenue and Taxation		
2002-126, California Department of Transportation: <i>Low Cash Balances Threaten the Department's Ability to Promptly Deliver Planned Transportation Projects</i>	511	We recommended that, considering the State's fiscal crisis, the Legislature may wish to allow the Transportation Investment Fund to transfer the entire \$678 million to the Traffic Congestion Relief Fund (TCRF), and then authorize a loan of the money from the TCRF to the General Fund so that those funds would be repaid to the TCRF and therefore still be available in future years.
		This audit is also included in the Business and Professions and Governmental Organization policy area. See that policy area for the wording of our recommendation.
2002-122, State Controller's Office: <i>Does Not Always Ensure the Safekeeping, Prompt Distribution, and Collection of Unclaimed Property</i>		
Transportation		
2004-140, Department of Transportation: <i>Various Factors Increased Its Cost Estimates for Toll Bridge Retrofits, and Its Program Management Needs Improving</i>		This audit is also included in the Appropriations policy area. See that policy area for the wording of our recommendation.
2002-126, California Department of Transportation: <i>Low Cash Balances Threaten the Department's Ability to Promptly Deliver Planned Transportation Projects</i>		This audit is also included in the Revenue and Taxation policy area. See that policy area for the wording of our recommendation.

