



# Little Hoover Commission

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**LITTLE HOOVER COMMISSION, 1989-90:**

**TURNING POLICY RECOMMENDATIONS**

**INTO LAW**

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# Introduction

A corollary to the Little Hoover Commission's mandate to monitor state government is its mission to increase effectiveness and efficiency in state programs. The Commission accomplishes this goal by pursuing the recommendations it makes in its reports in both the legislative and administrative arenas. This report details the results of the Commission's efforts during the two-year 1989-90 legislative session, in addition to providing highlights of the Commission's public hearings and reports during 1989 and 1990.

Formally known as the Commission on California State Government Organization and Economy, the Little Hoover Commission is an independent bipartisan watchdog agency that was created in 1962. Under its statutory authority, which includes the power of subpoena and the right to free access to all internal governmental documents, the Commission investigates state government operations and, through its findings and recommendations, promotes efficiency, economy and effectiveness. The Commission's enabling statute, as interpreted by case law, defines the Commission as a policy-making, rather than advisory, body and places the Commission outside of both the executive and legislative branches.

The Commission is made up of 13 members: five citizen members appointed by the Governor, four citizen members appointed by the Legislature, two Senators and two Assembly members. No more than five of the nine citizen members may belong to the same political party, a provision that ensures the bipartisan nature of the Commission's approach to evaluating programs and making recommendations.

Between 1962 and the end of 1990, the Commission produced 106 reports examining government programs as diverse as the Department of Transportation, the State Lottery, education, cash management, professional and business licensing and health care (please see **Appendix A** for a chronological listing of all reports). These reports are part of a long and thorough process that includes:

- \* Preliminary investigations to identify issues of concern.
- \* Public hearings to explore identified issues and raise new areas for investigation.
- \* Intensive fieldwork to determine potential findings and to provide supporting documentation for recommendations that will resolve the problems identified in the findings.
- \* Revision, adoption and release of the report by the Commission.
- \* Sponsorship of legislation to enact recommendations.
- \* Continued tracking of the status of recommendations through letters to affected agencies, ongoing legislative efforts, follow-up public hearings and, when necessary, updated reports.

During 1989 and 1990, the Commission conducted 19 public hearings, issued 16 reports (including this report and a previous report that described Commission activities in 1988 and 1989) and saw the enactment of 40 pieces of legislation that it sponsored or actively supported.

The next section of this report is a summary of legislation for the two-year period. The final section summarizes the studies conducted.

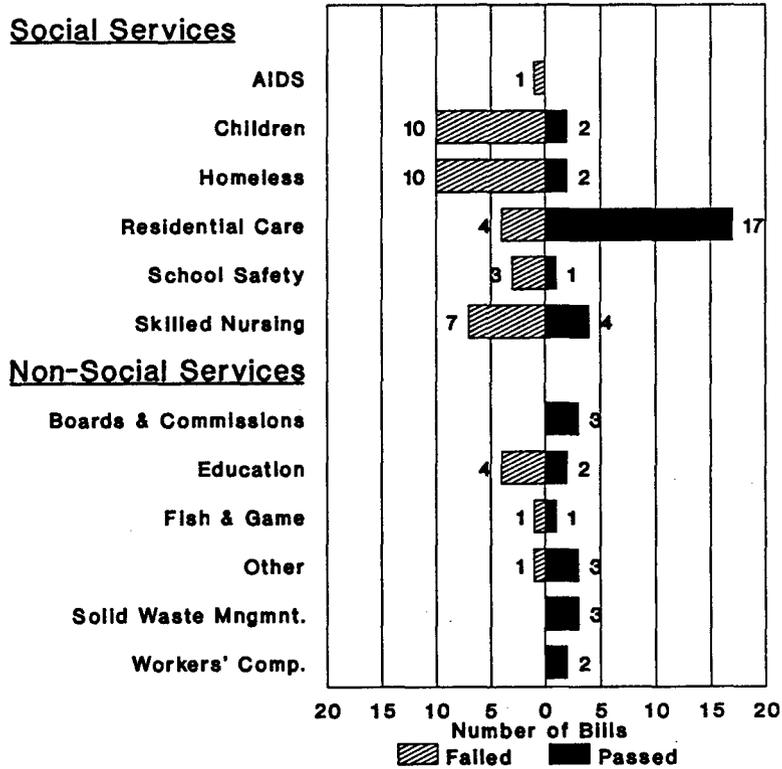
# Legislation

The Little Hoover Commission differs significantly from other state bodies that study issues and publish reports. As a policy-making body, the Commission actively pursues the implementation of its recommendations by working with the Governor and legislators on bills and resolutions.

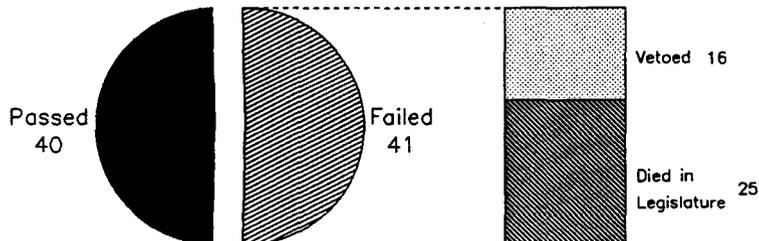
Because of the bipartisan nature of its makeup and the credibility of its reports, the Commission has enjoyed a high level of success over the years. A heightened commitment to working on legislation led to both 1989 and 1990 being record-setting years, with the Commission winning enactment of 20 bills in each of the two years.

Of course, the Commission is not always successful with its efforts. The Commission sponsored 81 bills during the two-year 1989-90 legislative session on topics ranging from children's services and elder care to solid waste and education. The charts on the next page show the overall activity on legislation, separated into two categories--social service issues and non-social service issues.

# LEGISLATIVE SUCCESS 1989-90 Session



## Summary



As the charts on the previous page indicate, the Commission did well with bills it sponsored that did not involve social service issues. (Both years of the legislative session were marked by exceedingly tight budgets and fiscal crises, making it very difficult to secure passage of bills with any cost attached.)

The Commission had a high rate of success with recommendations from its reports on state commissions, solid waste and workers' compensation. With a total bill package in the non-social service area of 20 measures, the Commission achieved a 70.0 percent success rate, with 14 becoming law and 6 failing.

The results were not as encouraging on social service issues, although the legislation involving residential care facilities for the elderly was an exception (out of 21 residential care bills, 17 became law--an 81 percent success rate). The total bill package in the social services arena was 61 measures, with 26 becoming law, for a 43 percent success rate.

Overall, the Commission worked on 81 measures during the two-year session. Forty of the measures became law for a 50 percent success rate. Sixteen bills were vetoed (20 percent) and 25 bills failed to move out of the Legislature before the close of session (31 percent).

Organized alphabetically by topic, the summary beginning on the next page gives the title of the report, each bill reflecting the recommendations in the report and the resulting outcome.

**AIDS**

**"California's Coordination of AIDS Services," May 1990**

SB 2699 (KEENE): Requires Department of Health Services to establish a Northern California pilot project for AIDS case management.

Status of measure: Vetoed by Governor. The Governor called the bill an unnecessary statutory requirement for the Department of Health Services.

**BOARDS AND COMMISSIONS**

**"Boards and Commissions: California's Hidden Government," July 1989**

AB 1272 (EASTIN): Requires Auditor General to conduct consolidation study of professional regulatory agencies; study to cover both function and areas of jurisdiction.

Status of measure: Auditor General directed to perform study by Joint Audit Committee; now in progress.

AB 2572 (EASTIN): Requires Joint Budget Committee to develop and operate "sunrise/sunset" reviews for all proposed boards, commissions and committees.

Status of measure: Chapter 832, Statutes of 1990.

AB 2374 (PRESLEY): Abolishes 22 non-functional advisory committees and bodies. Also requires addendum to 1992-93 proposed budget identifying all General Fund-supported advisory bodies, and removing all such funding effective January 1, 1993 unless specifically justified and authorized by the Legislature and Governor.

Status of measure: Chapter 1455, Statutes of 1990

**CHILDREN'S SERVICES**

**"Children's Services Delivery System in California Preliminary Report," March 1987**

**"Children's Services Delivery System in California Final Report," October 1987**

**"Runaway/Homeless Youths: California's Efforts to Recycle Society's Throwaways," April 1990**

**AB 77 (MOORE):** Establishes a nonpaid family care leave policy for persons employed by a company with more than 25 employees. Unpaid leave would be available for those employees who need to take up to four months within a 24-month period to care for a family member.

Status of measure: Vetoed by Governor. The Governor stated that leave policy is a bargaining issue that should not be superseded by state law, and that the bill would disrupt business and would add to operating costs.

**AB 870 (BATES):** Requires public buildings, both state and local, to provide child care facilities.

Status of measure: Vetoed by Governor. The Governor said it would increase state-reimbursable costs to local governments.

**AB 1776 (FRIEDMAN):** Requires local planners to consider child care needs when establishing or revising local plans and ordinances.

Status of measure: Vetoed by Governor. The Governor said local governments may already consider such needs and that the bill would add to state-reimbursable costs to local governments.

**AB 2979 (MOORE):** Makes additional appropriations through the Office of Criminal Justice Planning (OCJP) to Los Angeles Homeless Youth program to establish programs outside the Hollywood area. Program would be funded beginning July 1991.

Status of measure: Died.

**AB 3130 (WATERS):** Establishes an Interagency Commission of Youth Programs and Services, to be responsible for developing a master plan for children's services; coordinating the State's various children's services programs; and evaluating the feasibility of establishing a Department of Youth.

Status of measure: Vetoed by Governor. The Governor said there was no need to create a new body and that other funding needs for the state are more pressing.

**AB 3420 (WOODRUFF):** Requires the OCJP and the Department of Drug and Alcohol Programs to develop a two-year pilot project treating substance abuse among homeless

youth, especially juvenile prostitutes. Project to be run through current homeless youth project in Los Angeles.

Status of measure: Chapter 1029, Statutes of 1990.

**AB 3654 (VASCONCELLOS):** Establishes runaway/homeless youth programs in San Diego and Santa Clara Counties, based upon OCJP models. Programs would be funded beginning July 1991.

Status of measure: Chapter 1396, Statutes of 1990.

**AB 3893 (WYMAN):** Establishes pilot runaway/homeless youth demonstration programs in three rural counties; OCJP to administer programs. Programs would be funded beginning July 1991.

Status of measure: Died.

**SB 257 (TORRES):** Requires that leaves of absence to take care of disabled or sick children or family members will be covered by the provisions of the Federal Civil Rights Act regarding discrimination.

Status of measure: Died.

**SB 259 (TORRES):** Establishes a mechanism for public and private partnerships to deliver or expand child care services; requires Department of Education to coordinate state child care and development programs, and to develop a state plan for child care.

Status of measure: Vetoed by Governor. The Governor cited a \$40.3 million annual cost, as well as questions about the availability of matching federal funds.

**SB 260 (TORRES):** Establishes a Commission on Children and Youth; adopts policy for provision of children's services by the state.

Status of measure: Vetoed by Governor. The Governor said the Commission would be unnecessary, duplicative and another layer of bureaucracy.

**SB 2370 (MARKS):** Provides health care services for participants in San Francisco homeless youth program.

Status of measure: Vetoed by Governor. The Governor said it was unclear how the health services in the bill would differ from others already provided.

### **EDUCATION**

#### **"K-12 Education in California: A Look at Some Policy Issues," February 1990**

**AB 2918 (WYMAN):** Requires Department of Education to adhere to the Administrative Procedures Act (APA) in issuing program guidelines; prohibits state administrative restrictions on "sunsetting" categorical programs.

Status of measure: Died.

**AB 3693 (MOORE):** Provides separate budgeting authority to State Board of Education for its own budget. Also provides for change in number and appointment authority of State Board.

Status of measure: Died.

**AB 3489 (HUNTER):** States legislative intent that all categorical funds to be granted on the basis of defined indicators of need by each district. Department of Education, Legislative Analyst and Department of Finance to conduct study of district needs for categorical programs, as defined.

Status of measure: Died.

**AB 3842 (ALLEN):** States legislative intent that all categorical funds to be granted on the basis of defined indicators of need by each district. Department of Education, Legislative Analyst and Department of Finance to conduct study of district needs for categorical programs, as defined.

Status of measure: Chapter 703, Statutes of 1990.

**AB 4096 (FRIZELLE):** Make state requirements for commingling categorical funds concurrent with federal requirements for the same programs.

Status of measure: Died.

**SB 611 (C. GREENE):** Revises current average daily attendance system to reflect actual attendance, rather than

current "weighted" system. Includes one-time funding adjustment.

Status of measure: Chapter 1540, Statutes of 1990.

### FISH AND GAME

**"Report on California's Fish and Game Commission and Department of Fish and Game," January 1990**

AB 3419 (WOODRUFF): Specifies procedures for notice to adjacent landowners prior to purchase of property by Department.

Status of measure: Chapter 1287, Statutes of 1990.

AB 3878 (WOODRUFF): Requires Department of Fish and Game to develop and use empirically defined standards for game taking.

Status of measure: Died.

### HOMELESS

**"Meeting the Needs of California's Homeless: It Takes More Than A Roof," May 1989**

AB 597 (HAUSER): Makes the Department of Housing and Community Development a clearinghouse for all state homeless programs.

Status of measure: Vetoed by Governor. The Governor said it would be redundant and duplicative.

AB 795 (MOORE): Establishes a statewide coordinated intake system for homeless persons.

Status of measure: Died.

AB 1393 (WYMAN): Changes the legal definition of "gravely disabled" to include persons likely to deteriorate to the point of becoming a danger to themselves and others.

Status of measure: Died.

AB 1691 (BRONZAN): Establishes a commission authorized to lease state hospital lands and develop homeless housing.

Status of measure: Vetoed by Governor. The Governor said the commission would be duplicative.

and unwieldy and that the state is already engaged in steps to pro-actively manage its land.

**AB 1714 (HAYDEN):** Authorizes involuntary out-patient status for those persons who have been committed as an in-patient in a psychiatric or other mental hospital three times in the past five years.

Status of measure: Died.

**ACR 46 (HAUSER):** Creates a joint committee on housing preservation, charged with studying the loss of rental housing in the state.

Status of measure: Died.

**SB 502 (LOCKYER):** Requires charitable fundraisers to register with the Attorney General.

Status of measure: Chapter 307, Statutes of 1989.

**SB 691 (ALQUIST):** Requires the Business, Transportation and Housing Agency to determine what single agency will be responsible for all state building standards.

Status of measure: Vetoed by Governor. The Governor said the measure was premature because a state task force has not completed its report on building standards.

**SB 820 (ALQUIST):** Adds a documentary transfer surcharge to be used to fund housing for the homeless.

Status of measure: Died.

**SB 1205 (ALQUIST):** Establishes specified funding for housing programs for the homeless, low-income and other specified groups.

Status of measure: Died.

**SB 1286 (SEYMOUR):** Provides tax incentives to owners of previously federally subsidized (Section 8) low-income housing in order to continue low-income housing availability.

Status of measure: Chapter 1436, Statutes of 1990.

**SB 2288 (ROBERTI):** Designates the Health and Welfare Agency as the lead state agency for coordination and integration of homeless programs. Encourages the Agency

to continue the work of the Interagency Task Force, based on specified input from local agencies and individuals.

Status of measure: Vetoed by Governor. The Governor called the bill unnecessary and duplicative of existing efforts to coordinate programs.

**OTHER**

**"A Report on the Financial Management and Accountability in the State's K-12 Public School System," November 1987**

AB 226 (CORTESE): Establishes funded professional review and enforcement program at Board of Accountancy; will reduce number of faulty school district and other audits.

Status of measure: Chapter 200, Statutes of 1989.

**"The Public Employment Relations Board: Costly, Slow and Unsure," April 1990**

AB 943 (ELDER): Imposes minimum experience requirements for appointment of Public Employment Relations Board (PERB) General Counsel. Requires Board members to make determinations on cases within 90 days of submission for decision. Requires specific progress and statistical reports to the Governor and Legislature.

Status of measure: Vetoed by Governor. The Governor said the bill would place an unacceptable limitation on an appointing power and would create an artificial deadline for decisions.

**Commission policy**

AB 1431 (EASTIN): Requires the Legislative Counsel to track all reports required to be submitted to the Legislature by state and local agencies.

Status of measure: Chapter 528, Statutes of 1989.

**"A Review of the Organization, Operation and Performance of the California State Lottery," May 1989**

SB 906 (DILLS): Makes several revisions to the California State Lottery Act and other related statutes; requires all unclaimed LOTTO prizes to revert to the Public Education

Fund; changes disqualification rules for Lottery employees and family; and makes other changes.

Status of measure: Chapter 917, Statutes of 1989.

**RESIDENTIAL CARE**

**"A Report on Community Residential Care for the Elderly,"  
January 1989**

**AB 314 (LESLIE):** Requires the Department of Social Services to determine if an applicant for residential care facility licensure has been arrested for specific crimes.

Status of measure: Chapter 825, Statutes of 1989.

**AB 1043 (HANSEN):** Establishes an amnesty program for unlicensed residential care facilities for the elderly.

Status of measure: Died.

**AB 1112 (BENTLEY):** Requires the Department of Social Services to establish regulations and criteria for locked facilities for the elderly.

Status of measure: Provisions amended into Senate Bill 481.

**AB 1451 (SPEIER):** Requires third-party notification by the facility of substantiated complaints or citations. Also requires posting in facility of substantiated complaints or citations.

Status of measure: Chapter 565, Statutes of 1989.

**AB 1455 (PRINGLE):** Allows counties to license residential care facilities for the elderly having six beds or less.

Status of measure: Chapter 488, Statutes of 1989.

**AB 1484 (BENTLEY):** Requires State Fire Board to hear appeals from local fire standards for residential care facilities for the elderly. Also requires State Fire Marshal to develop new fire code classification for these facilities.

Status of measure: Chapter 1261, Statutes of 1989.

**AB 1554 (WYMAN):** Allows both district attorneys and city attorneys to prosecute violations regarding residential care facilities.

Status of measure: Chapter 675, Statutes of 1989.

**AB 1556 (WYMAN):** Requires the Department of Social Services to establish in-service training for employees of residential care facilities for the elderly.

Status of measure: Died.

**AB 1815 (CONNELLY):** Establishes emergency protocols for transfers of residents or residential care facilities. Requires DSS to establish regulations regarding procedures to be used to close facilities.

Status of measure: Died.

**AB 1989 (HANNIGAN):** Redefines residential care facility fire regulations to allow non-ambulatory residents into a wider range of selected facilities.

Status of measure: Chapter 436, Statutes of 1990.

**AB 2323 (HANNIGAN):** Requires Department of Social Services and other specified agencies to complete a study to establish criteria for certification of administrators for residential care facilities for the elderly. Also requires DSS to survey training requirements and education requirements for other hands-on employees of residential care facilities for the elderly. Appropriates funds from DSS licensing fees.

Status of measure: Chapter 434, Statutes of 1989.

**AB 2414 (WATERS, N.):** Requires residential care facilities for the elderly and child day care facilities to post and use license number in all public advertisements and documents.

Status of measure: Chapter 458, Statutes of 1989.

**AB 2989 (HUNTER/HARVEY):** Establishes doubled fines for unlicensed facilities who, when detected, refuse to apply for licensure, or cannot become licensed. Also allows criminal prosecution of such facilities when necessary.

Status of measure: Chapter 1488, Statutes of 1990.

**ACR 41 (PRINGLE):** Requires Health and Welfare Agency to identify new funding sources, outside of new taxes, for residential care facilities for the elderly.

Status of measure: Chapter R116, Statutes of 1989.

**SB 481 (MELLO):** Allows licensure of residential care facilities that provide "restricted facility" care to residents with

Irreversible dementia; establishes pilot programs for same.

Status of measure: Chapter 1372, Statutes of 1989.

**SB 944 (ROSENTHAL):** Provides for criminal penalties for state employees who divulge information regarding residential care facilities for the elderly to any member of the public.

Status of measure: Chapter 694, Statutes of 1989.

**SB 1076 (BERGESON):** Requires written notice of public access to DSS facility licensing reports.

Status of measure: Chapter 911, Statutes of 1989.

**SB 1077 (BERGESON):** Requires inclusion of facility license number in all advertising and correspondence.

Status of measure: Chapter 465, Statutes of 1989.

**SB 1102 (ROBERTI):** Allows family councils in residential care facilities.

Status of measure: Chapter 466, Statutes of 1989.

**SB 1166 (MELLO):** Omnibus reform bill for residential care facilities for the elderly. Deals with licensure, enforcement, and minimum requirements for housing and funding.

Status of measure: Chapter 1115, Statutes of 1989.

**SB 1502 (AYALA):** Establishes amnesty program for unlicensed residential care facilities; also requires the State Fire Marshal to establish specific fire code classifications for residential care facilities for the elderly.

Status of measure: Vetoed by Governor. The Governor said he had concerns about provisions that would prevent the placement of juveniles in facilities near their homes.

### **SCHOOL SAFETY**

**"A Report on Crime and Violence in California's Public School System," December 1988**

**AB 450 (LA FOLLETTE):** Encourages, and makes grants available for schools to develop specified school safety plans.

Status of measure: Chapter 1253, Statutes of 1989.

**AB 1113 (BADER):** Expands the duties of the Department of Education and the Attorney General's School Safety Partnership.

Status of measure: Died.

**AB 1114 (BADER):** Establishes a California School Safety Institute to do research and act as a clearinghouse for information on school crime.

Status of measure: Died.

**AB 1395 (WYMAN):** Mandates attendance by school district employees at Department of Education sponsored workshops on school crime reporting.

Status of measure: Died.

### **SOLID WASTE**

**"Report on Solid Waste Management: The Trashing of California," July 1989**

**AB 80 (KILLEA):** Omnibus Recycling Act of 1989; makes changes in local and state planning for solid waste disposal.

Status of measure: Major provisions amended into AB 939.

**AB 939 (SHER):** Omnibus Solid Waste Management, Source Reduction, Recycling, Composting and Marketing Development Act of 1989. Makes numerous changes and establishes new statutes to encourage source reduction, recycling and composting of solid waste.

Status of measure: Chapter 1095, Statutes of 1989.

**AJR 13 (FARR):** Resolution to the U.S. Congress to encourage national recycling policy.

Status of measure: Chapter R107, Statutes of 1989.

### **SKILLED NURSING FACILITIES**

**"The Medical Care of California's Nursing Home Residents: Inadequate Care, Inadequate Oversight," February 1989**

**AB 1370 (CONNELLY):** Establishes voluntary facility-based fingerprinting and criminal background check system for employees of skilled nursing facilities.

Status of measure: Vetoed by Governor. The Governor said the bill is too costly and that it puts the state in the undesirable role of determining qualifications for employment.

AB 1945 (EASTIN): Allows for suspension or revocation of skilled nursing facility licenses for failure to pay unappealed or finalized court fines or penalties.

Status of measure: Provisions amended into AB 3536.

AB 3536 (EASTIN): Establishes requirements and procedures for Department of Health Services to speed citation hearing process and fine/penalty collection. Increases specified penalties and limits for binding arbitration.

Status of measure: Chapter 1133, Statutes of 1990.

AB 4088 (FRIEDMAN): Defines abuse, neglect or abandonment of an elderly patient of an acute care or skilled nursing facility by a licensed health care practitioner as a felony, and provides appropriate criminal penalties.

Status of measure: Died.

SB 660 (WATSON): Establishes pilot projects for physician peer review panels in skilled nursing facilities in three specified counties. The Office of Statewide Health Planning and Development would administer the pilot project, to be operated through June 30, 1993.

Status of measure: Vetoed by Governor. The Governor said the \$140,000 cost was too expensive.

SB 778 (HART): Establishes legal guidelines for use of psychotropic drugs on patients in skilled nursing facilities. Defines "informed consent" to be given by patient or guardian for the use of drugs.

Status of measure: Died.

SB 1087 (MELLO): Makes major structural reforms in Medi-Cal rate and audit system for long term care. States that this measure's requirements are equal to or exceed federal long-term care requirements.

Status of measure: Chapter 502, Statutes of 1990.

SB 2114 (HART): Establishes quality assurance committees in skilled nursing facilities to complement the work of peer

review panels and oversee non-physician aspects of health care. Defines duties and responsibilities of the Medical Director of a skilled nursing facility, including roles in policy making, enforcement, peer review and quality assurance. Limits responsibility to a maximum of four facilities or 400 beds.

Status of measure: Died.

SB 2426 (MELLO): Makes legislative findings regarding apparent inappropriate use of physicians and nurses in skilled nursing facilities. Requires the Department of Health Services, in consultation with specific groups, to define in regulation "a significant change in the patients' condition" as a "trigger" for physician treatment.

Status of measure: Chapter 945, Statutes of 1990.

SB 2481 (HART): Requires registration of temporary nursing services with Department of Health Services.

Status of measure: Died.

SB 2507 (PETRIS): Prohibits skilled nursing facilities in the Medi-Cal program from holding beds unoccupied if Medi-Cal patients have applied for admission to the facility.

Status of measure: Died.

### WORKERS' COMPENSATION

**"A Review of the Current Problems in California's Workers' Compensation System," March 1988**

AB 993 (BADER): Requires the Department of Insurance, Bureau of Fraudulent Claims to establish criteria for investigation and referral of potential cases of workers' compensation insurance fraud.

Status of measure: Provisions amended into AB 276.

AB 276 (MARGOLIN): Omnibus Workers' Compensation Bill of 1989; deals with eligibility, claims processing, benefit levels and other related matters.

Status of measure: Chapter 892, Statutes of 1989.

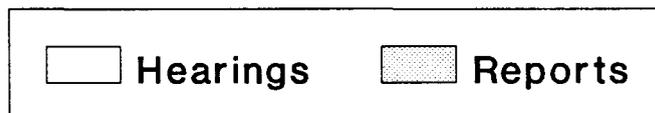
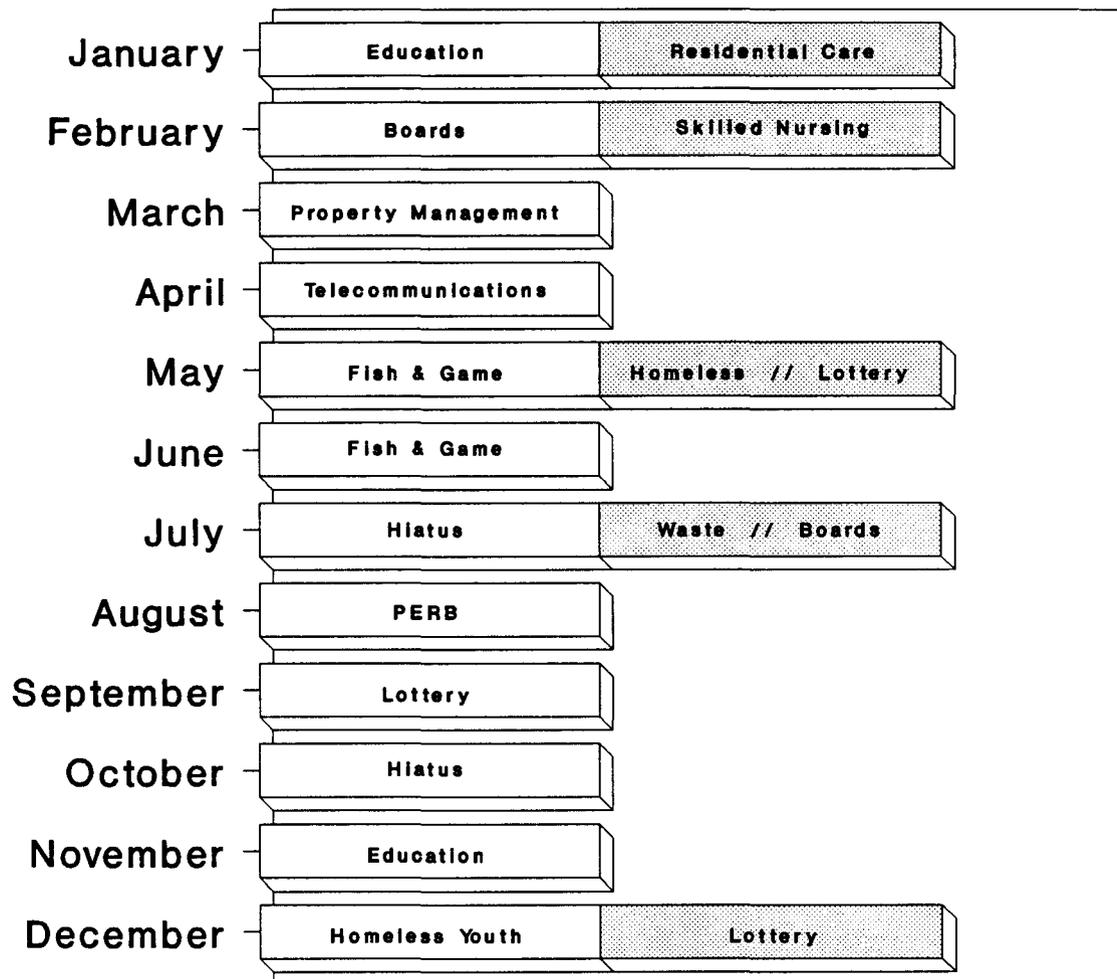
## Studies

The Little Hoover Commission released 14 reports based on its studies in 1989 and 1990, in addition to two summary reports. The issues ran the gamut from long-running concerns of the Commission, such as education, elder care and property management, to new areas, including the Public Employment Relations Board and the Department of Fish and Game.

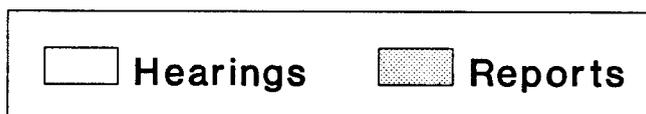
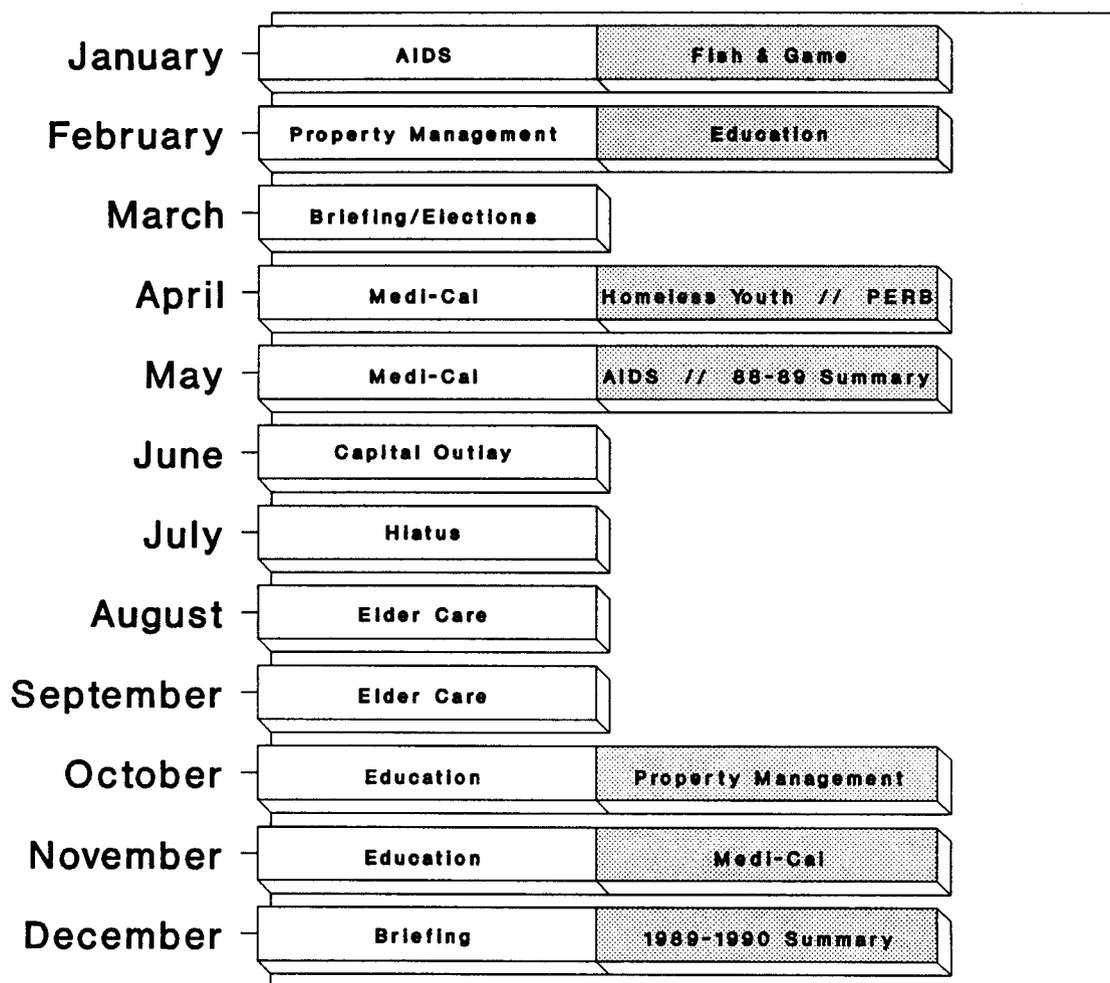
Altogether, the Commission's reports set forth 85 findings and 138 recommendations in 13 different areas of state government.

The charts on the next two pages graphically depict the hearings conducted and the reports issued by the Commission during 1989 and 1990.

# Little Hoover Commission 1989 Activities



# Little Hoover Commission 1990 Activities



As the charts on the previous two pages indicate, the Commission has actively pursued topics that affect all California citizens, either as recipients of services or as taxpayers who support the state's programs.

The next section of this report describes each of the Commission's studies during the past two years, beginning with the most recent report. But the Commission's main achievements can be summarized as:

- \* **Promoting effective services for the state's citizens.**

The Commission continued its examination of the education system, highlighting the often-ignored authority given to the State Board of Education under the Constitution and state law and seeking ways to funnel more education dollars directly into classrooms.

The Commission also examined the Medi-Cal system and found that it is failing to live up to its promises of comprehensive medical care for the poor.

In the area of elder care, the Commission issued reports on residential care facilities and skilled nursing homes early in 1989 and then conducted hearings late in 1990 as a prelude to a new study on the continuing problems of how the state treats its elderly citizens.

Finally, the Commission also concentrated on programs for the homeless and for runaway/homeless youths, recommending steps to break the cycle of poverty that entraps these vulnerable populations.

- \* **Monitoring the state's efficiency as a manager.**

The Commission continued its long-term efforts to prod the state into actively managing its real property to more fully benefit the citizenry.

In addition, the Commission pinpointed the existence of more than 400 boards, commissions, councils and other bodies that function as part of state government with very little oversight.

- \* **Assessing the effectiveness of the state's efforts to protect its natural resources.**

The Commission conducted major studies of the way the state handles solid waste and of the Department of Fish

and Game, concluding in both cases that the state was falling far short of its goals as guardian of natural resources.

Overall, the Little Hoover Commission in 1989 and 1990 aggressively met its mandate to act as an independent watchdog over state programs and policies.



**1989 And 1990  
Report Summaries**



# Medi-Cal

"A Prescription for Medi-Cal" was issued in November 1990. The report concludes that although Medi-Cal will spend \$8.1 billion on services to 3.7 million poor Californians in 1990-91, the complex program will fall short of its promised goal of quality medical care for all who need it because of problems that directly affect recipients and the providers of medical service. The result will be costly, both in human and budgetary terms. Those who should be receiving medical care either will not receive it at all or will receive it after an illness has progressed to the point where it is more difficult, more expensive or even impossible to treat.

The study notes three persistent problems:

**1. Recipients have difficulty accessing treatment.**

The supply of medical providers is limited because many private doctors refuse to participate in Medi-Cal. Many patients live in geographical areas (either rural or inner city) with very few medical care providers.

**2. The quality of medical care given recipients is often poor or inconsistent throughout the state.** Few receive adequate preventive care that might head off later, more expensive medical problems. With the bulk of Medi-Cal dollars concentrated on long-term care and emergency hospital services, relatively few resources are dedicated to early detection and prevention of diseases.

**3. Provider participation is low.** Providers complain about two facets of Medi-Cal: They believe the reimbursement rate structure is too low, but more importantly they find the reimbursement and prior authorization process

too time-consuming, cumbersome and frustrating. As a result, many refuse to accept Medi-Cal patients.

### **Findings and Recommendations**

The Medi-Cal report contains 12 findings and 28 recommendations.

FINDING 1: Medi-Cal cannot meet the needs of the future without altering its basic approach to providing health care for the poor.

**Recommendation 1: The Governor and the Legislature should broaden the powers of the California Medical Assistance Commission, vesting in it the authority to bargain on behalf of the State in all arenas of health care.**

**Recommendation 2: The Governor and the Legislature should allocate funds to the Department of Health Services to contract for a cost-benefit analysis of prioritizing health care procedures offered under Medi-Cal.**

FINDING 2: Implementation of the eligibility process varies from county to county, resulting in unequal treatment of Medi-Cal applicants.

**Recommendation 3: The Governor and the Legislature should direct the Department of Social Services to evaluate the four pilot projects under SAWS, rank them according to feasibility for statewide use and develop a funding plan, taking into account available federal subsidies for uniform systems. Legislation also should be enacted to declare the State's intent to implement a single computerized system for eligibility processes.**

FINDING 3: An overly complex application form is a barrier to eligibility for many otherwise qualified Medi-Cal recipients.

**Recommendation 4: The Governor and the Legislature should direct the Department of Health Services to give priority to ensuring that eligible recipients are approved in a timely manner.**

**Recommendation 5: The Governor and the Legislature should establish a disincentive system, similar to the federal 3 percent error rate**

allowance, to encourage counties to be diligent in efforts to qualify potential Medi-Cal recipients.

FINDING 4: Specialized categories of Medi-Cal applicants, including pregnant women, SSI recipients, nursing home residents and share-of-cost patients, face particular barriers to eligibility.

**Recommendation 6:** The Governor and the Legislature should implement the federal options for pregnant women known as presumptive eligibility and continuous eligibility.

**Recommendation 7:** The Governor and the Legislature should direct the Department of Health Services to require local verification of the eligibility status for SSI recipients if the federal government has failed to act within 60 days.

**Recommendation 8:** The Governor and the Legislature should establish a presumptive eligibility program for long-term care residents and should direct the Department of Health Services to seek any necessary federal waivers.

**Recommendation 9:** The Governor and the Legislature should direct the Department of Health Services to revamp the share-of-cost system.

FINDING 5: The State has failed to pursue vigorously capitated care systems that have the potential of improving medical care for recipients and lowering long-term costs.

**Recommendation 10:** The Governor and the Legislature should signal their support for and commitment to future capitated care negotiations by setting aside a specific pool of start-up funds.

**Recommendation 11:** The Governor and the Legislature should modify existing state statutes to encourage the creation and use of prepaid health plans.

**Recommendation 12:** The Governor and the Legislature should direct the Department of Health Services to develop incentives to encourage Medi-Cal recipients to opt for capitated care.

FINDING 6: The State has not maximized the use of case management systems in an effort to improve medical care and lower long-term costs.

**Recommendation 13:** The Governor and the Legislature should direct the Department of Health Services to develop an incentive plan to encourage providers to become primary care case managers.

**Recommendation 14:** The Department of Health Services should expand its Targeted Case Management Project as rapidly as possible.

**Recommendation 15:** The Department of Health Services should design a system of incentives, both for recipients and providers, that would increase the likelihood that patients would receive preventive care.

**FINDING 7:** The State has failed to avail itself fully of the latest computer capabilities and statistical analysis methods to ensure efficient operation of Medi-Cal.

**Recommendation 16:** The Governor and the Legislature should direct the Department of Health Services to eliminate from the TAR process procedures that are routinely authorized.

**Recommendation 17:** The Governor and the Legislature should require the Department of Health Services to use TAR records to target problem providers, problem locations and problem diagnoses and procedures.

**Recommendation 18:** The Governor and the Legislature should require the Department of Health Services to analyze paid-claims history data and Small Area Analysis data, as well as any other information, to better discover patterns of use and abuse and to formulate policies to alter those patterns when better efficiency or quality of care can be achieved.

**FINDING 8:** Claim forms, procedure designations and other processes for submitting bills to Medi-Cal constitute a complex burden for providers.

**Recommendation 19:** The Governor and the Legislature should enact legislation requiring the Department of Health Services to modify the Medi-Cal claim form to mirror other types of health care provider claim forms.

**Recommendation 20:** The Governor and the Legislature should enact legislation requiring the Department of Health Services to adopt Medicare procedure codes and to drop the use of special modifier codes.

**Recommendation 21:** The Governor and the Legislature should direct the Department of Health Services to publish reimbursement rate schedules and inform providers of limits and other criteria used in denying and suspending claims.

**Recommendation 22:** The Governor and the Legislature should create a claims-reimbursement pilot project fund.

FINDING 9: The process for addressing suspended claims and denials is complicated and frequently unresponsive to providers.

**Recommendation 23:** The Governor and the Legislature should direct the Department of Health Services to implement a policy immediately of telling providers all reasons for denials of claims.

**Recommendation 24:** The Governor and the Legislature should enact legislation to require the Department of Health Services, in consultation with provider representatives and systems experts, to revamp the procedures involved in dealing with suspended and denied claims to create a simple, timely process.

FINDING 10: The system of incorporating a check in each Explanation of Benefit form is inefficient and costly both for the State and for the providers.

**Recommendation 25:** The Governor and the Legislature should direct the Department of Health Services and the State Controller's Office to work together to revamp the Medi-Cal check-writing procedures.

FINDING 11: The State has not taken full advantage of the fiscal intermediary's expertise in providing Medicaid services.

**Recommendation 26:** The Department of Health Services should seek a comprehensive review of the Medi-Cal system from EDS and solicit proposals for improvements across the broad range of Medi-Cal activities.

FINDING 12: The Department of Health Services has achieved key reforms of the drug purchasing system that should improve both the efficiency and the effectiveness of the pharmaceutical portion of Medi-Cal.

**Recommendation 27: The Governor and the Legislature should make the Medi-Cal Drug Discount Program permanent.**

**Recommendation 28: The Governor and the Legislature should transfer the authority to negotiate drug contracts to the California Medical Assistance Commission.**

### **Conclusion**

The Medi-Cal report, which was issued after the close of the 1990 legislative session, has prompted considerable interest from legislators. It is anticipated that multiple bills will be sponsored by the Commission to enact the recommendations in this report when the 1991 legislative session begins.

# Property Management

"Real Property Management in California: Moving Beyond the Role of Caretaker" was published in October 1990. The report is a comprehensive followup to the Commission's initial examination of this issue, "California State Government's Management of Real Property" (March 1986), which found that the state's property management system is neither strategic nor systematic. In the 1990 report, the Commission concludes that California is failing to manage its property well because of inadequate procedures, organizational structures and mandates.

The result of the state's failure to improve its management techniques is that assets are not used to the fullest extent to obtain the maximum benefit for citizens.

## Findings and Recommendations

The property management report contains four findings and 17 recommendations.

FINDING 1: The state's organizational structure for developing and implementing a proactive property management system is incomplete and inadequate.

**Recommendation 1: The authority, mandate and composition of the current Public Works Board should be significantly expanded to make it the central administrative structure for the State's proactive real property management system.**

**Recommendation 2: The revised Public Works Board should be responsible for the management of all the State's real property, except operational**

rights of way. The Board's property management responsibilities should include long-range planning, appraisal, acquisition, financing, day-to-day management, construction planning and oversight, disposal of excess property and joint development with public or private agencies.

**Recommendation 3:** The revised Board should be composed of five public members (including the Chair) appointed by the Governor; the Director of the Department of Transportation; the Director of Finance; the State Treasurer; the State Controller; two Senators, appointed by the Senate Rules Committee; and two Assembly members, appointed by the Speaker of the Assembly.

**Recommendation 4:** The Public Works Board should have an independent staff that is headed by a Chief Executive Officer who serves at the pleasure of the Board. The staff should be organized into a Planning Division and a Real Property Management Division.

**Recommendation 5:** The Board should establish specific criteria for the "highest and best use" of each type of state property.

**Recommendation 6:** Revenues generated by the Board's proactive real property management should be allocated by the Governor and the Legislature among the Board for current and future capital outlay projects and costs, the agencies originally holding the properties and the General Fund.

FINDING 2: The state's system of planning for its long-term real property and capital outlay needs is fragmented and incomplete.

**Recommendation 7:** The Governor and the Legislature should enact legislation that requires each state agency to submit to the Board an intermediate (5-year) and long-range (10-year) capital outlay plan. The Board should submit a multi-year, priority ranked capital outlay plan for all state agencies as a part of the annual budget process.

**Recommendation 8:** The Board should adopt and follow a strategic and systematic mission

**statement and proactive real property management process.**

**Recommendation 9: The Board should establish a systematic preventive maintenance program.**

**Recommendation 10: Legislation should be enacted to require state agencies to identify specific funds for real property management, and to restrict the use of those funds to their original purposes.**

**FINDING 3: The statewide property inventory, although finally completed after long delays, will require additional work to be more effective in the proactive management of individual properties.**

**Recommendation 11: Legislation should be enacted to require the Statewide Property Inventory (SPI) to include an exact description of the property, its current and expected use, and the extent of its current use.**

**Recommendation 12: Legislation should be enacted which would require the SPI to contain estimated values for specified metropolitan properties.**

**FINDING 4: Current state statutes, policies, and procedures inhibit the proactive management of the state's real property.**

**Recommendation 13: Legislation should be enacted to allow the Board to lease out property for up to 49 years under specified conditions.**

**Recommendation 14: Legislation should be enacted to allow the Board to declare State property as surplus under specified conditions.**

**Recommendation 15: The Board should conduct a thorough legal analysis of all existing real property mandates to recommend thorough and consistent legal and policy changes.**

**Recommendation 16: Legislation should be passed to allow state agencies under specified circumstances to retain 20 percent of any revenues generated by the management of their original property.**

**Recommendation 17: Legislation should be enacted to provide authority for individual and group incentives for superior proactive management performance.**

**Conclusion**

Like the Commission's Medi-Cal report, the report on property management was issued too late in the year to be pursued in the legislative arena in 1990. Bills are expected to be sponsored, however, in the 1991 legislative session.

# AIDS

"California's Coordination of AIDS Services" was issued in May 1990. The report says that while the State has committed substantial resources to dealing with AIDS (more than \$128 million in 1989-90), there is no coordinated effort to maximize the effect of those dollars.

In addition, the report says that a lack of firm leadership, commitment and sense of direction at the State level has meant that the State's steps toward coordination have been tentative, halting and, in general, unsuccessful.

## Findings and Recommendations

The AIDS report contains four findings and four recommendations.

FINDING 1: The State Office of AIDS lacks the authority to act as a lead agency for the State on all matters relating to AIDS.

**Recommendation 1: The Governor and the Legislature should give the Office of AIDS authority as the state's lead agency on AIDS and further should designate the Office of AIDS as the source of funding for all state programs dealing with AIDS.**

FINDING 2: The State Office of AIDS fails to exert the leadership required to act as a clearinghouse for statewide AIDS information.

**Recommendation 2: The Governor and the Legislature should require counties on their own**

or in regional groupings to produce AIDS services plans, in consultation with community-based organizations, identifying resources from all levels of government and private sources, cataloguing local needs and coordinating funds and services. The Office of AIDS should serve as a technical adviser in the production of the plans, as a monitor to ensure plans cover all aspects of AIDS problems and incorporate all organizations in each area, and as a clearinghouse for gathering statistics on a statewide level based on the plans.

FINDING 3: The State has crafted an updated comprehensive plan for addressing AIDS but has sent mixed signals about its intentions for implementing the plan.

**Recommendation 3:** The Department of Health Services should formulate and report to the Legislature a timeline and budget requirements for those recommendations in the state AIDS Strategic Plan it intends to implement; the Department further should produce a list of goals and a timeline for the future activities of the California AIDS Leadership Committee.

FINDING 4: The Office of AIDS appears to be unable to administer its grant programs in a timely and efficient manner.

**Recommendation 4:** The Governor and the Legislature should direct the Office of AIDS to streamline its grant procedures in order to reduce administrative costs (both at the state and local levels). If these goals are not achieved in a timely manner, the auditor general should be directed to examine the Office of AIDS and make recommendations for any necessary new procedures.

### **Conclusion**

During the 1990 legislative session, the Little Hoover Commission supported one bill dealing with AIDS. In addition to supporting legislation in 1991 to implement the report's recommendations, the Commission will be asking the State Office of AIDS to report back on any administrative steps it has taken to redress problems with state AIDS programs.

# Public Employment Relations Board

"The Public Employment Relations Board (PERB): Costly, Slow and Unsure" was issued in April 1990. This report concludes that the PERB takes too long to issue its decisions and has members that are not qualified by expertise or experience to carry out required duties.

In addition, the study shows that the state is providing an unlimited subsidy for school district collective bargaining costs that in 1989-90 exceeded \$30 million per year.

## Findings and Recommendations

The PERB report contains three findings and seven recommendations.

**FINDING 1:** The PERB takes too long to issues its decisions.

**Recommendation 1:** To accelerate the pace of issuance of decisions and to provide economy, the Governor and the Legislature should enact a measure to reduce the number of Board members from five to three which, if joined with the recommendation below relating to establishment of qualifications for appointment to the PERB, should allow the streamlining of the decision making process and the issuance of more timely decisions.

**Recommendation 2:** Given the workload of the Board, the assignment of two Board counsel to every Board member seems an unnecessary luxury

which has not beneficially affected the pace of the production of decisions. To provide economy, the Governor and the Legislature should reduce the PERB's budget to limit the number of Board counsel to one per member while reducing the Board size to three. This modification should result in the annual savings of more than \$500,000 or almost 10 percent of the PERB budget.

**Recommendation 3:** To facilitate the monitoring of the Board's efficiency, effectiveness and productivity, the Governor and the Legislature should enact a measure to require the Board to report to the Legislature quarterly, in a clearly presented format, the following information:

- (a) the number of PERB decisions, decisions on administrative appeals, and actions on injunctive relief requests;
- (b) the median number of days it took to issue the above-identified decisions;
- (c) the median number of days to issue such decisions;
- (d) the number of appeals pending before the Board.

**Recommendation 4:** To identify the causes of the delay, the reasons for the delay in issuance of decisions should be reported for each case on the docket longer than the average number of days taken by the Board to issue its decisions in the previous quarter.

FINDING 2: PERB members are not qualified by expertise or experience to carry out their essentially judicial functions.

**Recommendation 5:** To increase the professionalism of the Board and the respect it commands from its constituencies, the Governor and the Legislature should enact a measure to ensure that members appointed to the Board have demonstrated competence in public sector labor law and that members serve longer terms.

**Recommendation 6:** To ensure maximum continuity and increased respect for the Board's

**expertise, the Governor and the Legislature should enact a measure to designate as PERB Chair the Board member with the greatest seniority on the PERB.**

**FINDING 3: The state is providing an unlimited subsidy for school districts' collective bargaining expenses at a cost of more than \$30 million annually.**

**Recommendation 7: To allow the accurate assessment of the cost of school districts' collective bargaining, statistics should be collected and published by the State Controller's Office showing the amount spent, by school district, on collective bargaining in each fiscal year, thus enabling the state better to evaluate the effectiveness of these expenditures.**

### **Conclusion**

The Commission supported one bill dealing with the PERB in 1990 and it anticipates supporting similar legislation in the coming session. In addition, the PERB has indicated it is improving its procedures. The Commission will review the status of the recommendations and PERB's performance in mid-1991.



FINDING 8: The Department does not have adequate oversight and authority over Fish and Game Regional administrators.

**Recommendation 12: The Department should tighten its control over the Regional operations and continue its recent commitment to systematic training of field staff.**

#### **Conclusion**

The Commission sponsored two bills based on the Fish and Game report. The Department of Fish and Game entered a time of budget crisis after the Little Hoover Commission's report was issued, requiring an extra appropriation from the Legislature. The Commission will continue to track the problems in this department and any progress on the recommendations.

FINDING 5: The Department has been unsystematic and inconsistent in its acquisition and maintenance of State refuge lands.

**Recommendation 5: State acquisition of property should be made dependent on public notice of intent to purchase the land, as well as specific notification of surrounding property owners.**

**Recommendation 6: The Department should require at least two appraisals of land value, including the residual value to the current owner of any rights not included in the property sale.**

**Recommendation 7: Legislative and Executive Branch budgetary policies should be modified to provide for a direct tie between land acquisition funds and maintenance funds in the year the land is purchased.**

FINDING 6: The Department has no comprehensive management information system.

**Recommendation 8: The Department's management and fiscal information needs should be analyzed and a plan formulated to improve the department's management information system.**

**Recommendation 9: The Resource Agency should reconcile expenditures to dedicated fund sources for FY 1990-91 and report to the Legislature on the results and on the future viability of the present system of dedicated fund sources.**

**Recommendation 10: The Department should be directed to set up empirically defined, consistent systems for measuring legal and illegal taking of game and fish by both sporting and commercial agents.**

FINDING 7: The Department is not capable of appropriately allocating resources.

**Recommendation 11: The Resource Agency should push for greater resources for the Department, especially in the Department's Environmental Services Division, and should promote better relationships between its commissions and departments.**

agencies, the Resources Agency should convene a special task force to develop criteria for membership on the Fish and Game Commission. Once agreed upon, these criteria should be placed in law.

FINDING 2: The Commission has not and, as presently structured, cannot adequately exercise its statutory authority over the Department of Fish and Game.

**Recommendation 2: The Commission should become part of a formal Resource Agency Oversight Task Force, composed of one executive member from each of the major resource-related commissions and departments within the agency. Chaired by the Resources Secretary, this task force would serve to unify policy and practice with respect to all significant aspects of California's fish and game, water and habitat-related issues, while forging a closer relationship between the constitutionally independent Fish and Game Commission and the Executive Branch.**

FINDING 3: The Commission has difficulty meeting its mandate because of external pressures and factors outside of its control.

**Recommendation 3: The Resources Agency, Legislature and the Governor's Office should assess the Commission's future performance in light of its recent stated rededication to fulfilling its mandate. The Commission should concentrate on effectively monitoring the Department of Fish and Game, responding to public input and making full use of scientific analysis before deciding issues before it, and working in a committed fashion with the new Resources Agency Oversight Task Force.**

FINDING 4: The Department of Fish and Game has exercised inappropriate bargaining tactics with respect to habitat mitigation.

**Recommendation 4: The Department of Fish and Game should create a separate staff unit to provide timely and consistent identification of issues and practices related to mitigation actions involving external agencies.**

# Fish and Game

"Report on California's Fish and Game Commission and Department of Fish and Game" was issued in January 1990. The report concludes that the state has failed to develop an adequate system to manage the state's natural resources, despite the fact that we are living in a time when growth pressures are competing with a heightened awareness of the fragile nature of the state's diverse ecology.

The report notes that where once the highest priority was managing wildlife for hunters and fishermen, the Fish and Game Commission and Department now have the much broader mandate of protecting all fish, game and native plants; conserving wildlife habitat; acquiring land, water and water rights to ensure fish and game propagation; protecting aquatic resources; monitoring dammed waters; and identifying, inventorying and managing endangered and/or rare species. This broader mandate has come without a commensurate increase in resources and without the required shifting of focus from top to bottom at the Fish and Game hierarchy.

## Findings and Recommendations

The Fish and Game report contains eight findings and 12 recommendations.

FINDING 1: There are no clear or publicly understood criteria for selection and appointment of Fish and Game Commissioners.

**Recommendation 1: With the assistance and advice of the Legislature, the Governor's Office and representatives of appropriate State control**

**counted toward ADA when determining base revenue limits, thereby eliminating the current process of verifying absences for apportionment purposes. Further, the legislation should encourage local education agencies to emphasize the importance of school attendance.**

### **Conclusion**

The Little Hoover Commission sponsored six pieces of legislation based on the February 1990 education report. Although not all the bills were successful, the report has had a significant impact on the way education policy is created in California. Among other outgrowths of the report, the State Board of Education itself has taken steps to regain authority over the education system. The Commission will continue to pursue legislative changes and to monitor the progress of the State Board of Education.

FINDING 4: The categorical "sunset laws" have not been working as statutorily intended.

**Recommendation 5: The Governor and the Legislature should enact legislation that would amend the "sunset laws" (Education Code Section 62000 et seq.) to explicitly prohibit the State Department of Education from restricting the local education agencies' flexibility in meeting the general requirements of the State's original program laws and federal statutes.**

FINDING 5: The reorganization of some school districts needs to be considered.

**Recommendation 6: The Governor and the Legislature should enact legislation to provide sufficient funding for the advisory commission authorized by Chapter 1229, Statutes of 1989, so that the commission can conduct a study of the feasibility of increased consolidation school of districts and recommend statutory revisions based upon the results of the study (including fiscal and other incentives for the implementation of consolidations that are determined to be feasible).**

FINDING 6: The organization of offices of education by county boundary is inefficient and does not maximize service delivery.

**Recommendation 7: The Governor and the Legislature should enact legislation to require the advisory commission provided for under Chapter 1229, Statutes of 1989 to expand its study to include a review of the activities of county offices of education and existing cooperative arrangements between districts and/or county offices of education. The legislation should require the commission to report to the Governor and the Legislature the results of its study and recommendations for statutory revisions no later than January 1, 1991, and should provide sufficient funding for a comprehensive study.**

FINDING 7: The state's system for reporting attendance is inefficient and does not encourage attendance.

**Recommendation 8: The Governor and the Legislature should enact legislation that would revise the current attendance accounting procedures so that only actual attendance is**

FINDING 2: The superintendent may be circumventing the state's regulatory process through the use of policy guidelines.

**Recommendation 2: The Governor and the Legislature should enact legislation that would expressly prohibit the State Department of Education and/or the State Board of Education from issuing any policy guidelines or other documents that are defined as regulations under existing law. The recommended legislation would subject the Department and/or the Board to a reduction in its/their administrative budget(s) if the Department and/or the Board is found to have issued regulations as defined under existing law.**

FINDING 3: The state's system of funding categorical programs is neither effective nor efficient.

**Recommendation 3: The Governor and the Legislature should enact legislation that encourages the coordination of categorical funding at the local level by allowing the inclusion of many more existing categorical programs under the School-Based Program Coordination Act. The legislation should explicitly emphasize that target group students and instructional improvement needs must be met, and that the system for monitoring performance of this program be designed to validate compliance.**

**Further, the Governor and the Legislature should enact legislation that would allow schools to commingle categorical funds and general purpose revenues to the extent that federal law allows such commingling. After three years, the schools must demonstrate that achievement levels among compensatory education students have either increased over time, or are greater than the achievement levels of comparable students in other district schools.**

**Recommendation 4: The Governor and the Legislature should enact legislation to base all appropriate categorical funding on indicators of need. To the extent possible, such indicators should be found in district demographics that are updated annually by the districts and analyzed annually by the State Department of Education in reviewing and approving districts' application for funding.**

# Education

"K-12 Education in California: A Look At Some Policy Issues" was published in February 1990, the latest report in the Commission's 17-year effort to bring accountability, efficiency and effectiveness to the state's education system.

The 1990 report concludes that the structures put in place by the Constitution and statutes to govern state education policy are fundamentally flawed; that regulatory processes are routinely ignored; and that categorical programs are not allowed to operate effectively. In addition, the report makes recommendations about district reorganization and the attendance reporting system.

## Findings and Recommendations

The report includes seven findings and eight recommendations.

FINDING 1: The state's governance structure for education is not operating as statutorily intended.

**Recommendation 1: The Governor and the Legislature should enact legislation to amend the Education Code so that approval authority for the State's proposed education budget is given specifically to the State Board of Education. Such an amendment should make it clear that the Board's authority is superior to the authority of the State Department of Education over the proposed budget for the Board's activities as well as the activities of the Department.**



a third. The Commission will continue to monitor the status of these runaway/homeless youth programs.

**Recommendation 2:** The Governor and the Legislature should appropriate additional funds to Los Angeles County and San Francisco for the specific purpose of developing shelters and other services outside the Hollywood and downtown San Francisco areas.

**Recommendation 3:** The Governor and the Legislature should appropriate funds for runaway/homeless youth demonstration projects in a limited number of rural regions, to be determined through a Request-For-Proposal process under the Office of Criminal Justice Planning.

Finding 2: In addition to unmet needs in various geographical areas, runaway youths also face gaps in services that are critical if they are to be weaned from the streets.

**Recommendation 4:** The Governor and the Legislature should direct the Department of Alcohol and Drug Programs to target runaway/homeless youths with drug abuse problems. In addition, funds should be appropriated through the Office of Criminal Justice Planning to existing runaway/homeless youth projects for detoxification program components.

Finding 3: The probation system does not appear to be the appropriate mechanism for handling runaway/homeless youths who have committed no crimes.

**Recommendation 5:** The Governor and the Legislature should direct the Department of Social Services, the Office of Criminal Justice Planning and the California Youth Authority to institute a review of the framework under which runaway/homeless youths are handled, specifically with an eye to moving the responsibility for this population from the probation department to social service agencies.

### Conclusion

The Commission sponsored four bills in the 1990 session. Based on the Commission's commendation of a program that has proven both effective and efficient, policy committees in the Legislature approved all four bills from the report. But the state's tight fiscal circumstances derailed two of the measures and forced a delay in the implementation of

# Homeless Youth

"Runaway/Homeless Youths: California's Efforts to Recycle Society's Throwaways" was published in April 1990. The report is a followup to a review of runaway/homeless programs conducted as part of the Commission's 1987 report on Children's Services.

The initial report found that there were few services directed toward runaway/homeless youths, but that pilot projects were just beginning in Los Angeles and San Francisco. The 1990 report reviewed the results of the pilot projects, which have since become permanent state programs. The report concludes that the programs have worked well. Not only have medical care, shelter, food and counseling been provided to youths in need, but also a significant success rate has been achieved in removing youths from the streets permanently.

## Findings and Recommendations

The runaway/homeless youth report contains three findings and five recommendations.

Finding 1: The San Francisco and Los Angeles runaway/homeless youth projects are working well and efficiently, but despite their success the state's runaway youths still have unmet needs.

**Recommendation 1: The Governor and the Legislature should appropriate funds to support runaway/homeless youth programs based on the San Francisco/Los Angeles model in Santa Clara and San Diego Counties.**

# Lottery

The Little Hoover Commission issued two letter reports dealing with the California State Lottery in 1989, one concerning a specific Lottery policy ("A Review of the Operation and Performance of the Office of the State Public Defender") and the other looking at the general operations of the Lottery ("Follow-up Review of the Organization, Operation and Performance of the California State Lottery").

The May 1989 letter report addresses the convoluted situation that had evolved around unclaimed, low-tier Lotto and instant game prizes. At various points, the State Lottery Commission had adopted and/or modified policies to sweep these unclaimed prizes into, first, the Education Fund and, second, into the game prize fund. The Little Hoover Commission letter report assesses the Lottery's policy and urges changes.

The December 1989 letter report was a followup review of a report issued almost three years earlier. This review says that, in general, the Lottery has matured well since voters approved its creation in 1984 and that fine-tuning rather than a major overhaul is needed.

In the original January 1987 report, the Commission cited problems with the then-new Lottery in three major areas: procurement procedures, relationships with contractors and financial accountability. The 1989 review shows that most of the recommendations to resolve these problems had been enacted or were in the process of taking place.

There are two problem areas where the Little Hoover Commission continues to find fault in 1989: budgetary oversight and the monitoring of contracts. In addition, the

Commission identifies new areas of concern: research and development procedures, and methods of evaluating advertising efforts.

**Findings and Recommendations  
(May 1989)**

The Little Hoover Commission's May 1989 letter report contains two findings and two corresponding recommendations.

FINDING 1: The purpose of the Lottery Act and the intent of the people would be better served by mandating the allocation of unclaimed low-tier Lotto prizes to the State Education Fund.

**Recommendation 1: The Governor and the Legislature should amend the Lottery Act to clarify that unclaimed low-tier prizes should be placed in the Education Fund.**

FINDING 2: The Lottery Commission's rule making process does not provide adequate time for public input.

**Recommendation 2: The Governor and the Legislature should amend the Lottery Act to require that the Lottery Commission, when issuing rules that do not concern the operation of the games or prizes, provide at least 30 days' notice to the public.**

**Findings and Recommendations  
(December 1989)**

The Little Hoover Commission December 1989 letter report contains four findings and four corresponding recommendations.

FINDING 1: The Lottery is exempt from external budgetary oversight.

**Recommendation 1: The Governor and the Legislature should require that all Lottery funds be classified as "special funds" subject to review by the Department of Finance, Legislative Analyst and the State Legislature.**

FINDING 2: The Lottery does not have the operational flexibility necessary to effectively deal with future project development issues.

**Recommendation 2: The Governor and the Legislature should enact legislation to allow the Lottery to contract for research and development activities.**

FINDING 3: The Lottery currently does not have an adequate system for evaluating the effectiveness of its advertising and promotional expenditures.

**Recommendation 3: The Lottery should implement a "return on investment" analysis of its advertising and promotional expenditures.**

FINDING 4: The Lottery has not adequately monitored contract performance.

**Recommendation 4: The Lottery should immediately strengthen contract monitoring procedures.**

### **Conclusion**

The Little Hoover Commission's early recommendations when the Lottery was still in its developmental stages in 1987 were for the most part implemented. The Commission added to these recommendations in two 1989 letter reports and sponsored two bills during 1989. While a portion of the Commission's concerns have since been addressed, there are still some remaining recommendations. Other bills may be developed in future years to carry out unfulfilled recommendations, particularly from the December 1989 report.



# Boards and Commissions

**"Boards and Commissions: California's Hidden Government,"** a Little Hoover Commission letter report issued in July 1989, reveals the existence of more than 400 boards, commissions, authorities, associations, councils and committees in state government. The 361 organizations that responded to the study survey accounted for \$1.9 billion of the 1988-89 state budget and contained 3,650 members appointed by the Governor, the Legislature or some other mandated entity. These bodies operate to a large degree autonomously and outside of the normal checks and balances of representative government.

The letter report concludes that the state's boards and commissions are proliferating without adequate evaluation of need, effectiveness and efficiency. This lack of control may cost the state not only dollars, but also wasted resources, duplicated efforts and the adoption of policies that may run counter to the general public's interest.

The Commission's study was the third it has conducted on the use of plural bodies in California state government. The first concerned boards and commissions in the Resources Agency (April 1965) and the second considered those in the predecessor to the Department of Consumer Affairs, the Department of Professional and Vocational Standards (September 1967). In its latest review, the Commission focuses on overall state problems with boards and commissions, rather than evaluating the need and/or performance of any single entity.

### Findings and Recommendations

The Little Hoover Commission letter report on boards and commissions contains three findings and five recommendations.

FINDING 1: Statutory boards, commissions, authorities, associations, committees and councils are created without any systematic evaluation of the most effective approach to solving the perceived problem.

**Recommendation 1: The Governor and the Legislature should enact specific "sunrise" criteria to determine when autonomous bodies can be created and what form of body is most appropriate for different types of activities. The criteria should encompass the creation of regulatory, administrative and advisory types of functions.**

FINDING 2: Few organizations are subject to periodic review subsequent to their creation.

**Recommendation 2: The Governor and the Legislature should enact a statute that requires "sunset" clauses to be used whenever autonomous bodies are created and to be amended into the statutes authorizing existing entities. This "sunset" provision should set a date for the termination of an organization, require a review of operations by an independent organization and require the Legislature to take positive action to continue an entity's existence beyond the sunset date.**

**Recommendation 3: The Legislature should assign the Legislative Analyst responsibility for developing and performing sunset review procedures.**

FINDING 3: Some boards, commissions, authorities, associations, committees and councils have overlapping functions.

**Recommendation 4: The Governor and the Legislature should direct the Department of General Services to create and maintain a database of all statutory boards, commissions, authorities, associations, committees and councils. In addition, the Department would require each of these autonomous organizations to follow the state's standard administrative, budgetary, accounting and recordkeeping policies.**

**Recommendation 5: The Governor and the Legislature should direct the Auditor General to report on the benefits of combining any or all of the functions of regulatory entities into a single unit.**

**Conclusion**

The Little Hoover Commission sponsored three bills out of the boards and commissions report. While all three were successful, the impact of the changes required in the bills is not expected to be immediate. The Commission will continue to track the proliferation of government bodies.



# Solid Waste

Is California in a garbage crisis? That is the main question addressed by a Little Hoover Commission study in 1989 on solid waste management, "Report on Solid Waste Management: The Trashing of California." The Commission's report, issued in July 1989, notes that with the entire state slated to run out of landfill capacity by the year 2000, there is a drastic need for state leadership, a move away from landfills and the aggressive pursuit of alternative disposal technologies.

The report says that, despite a state law that outlines an effective policy of solid waste management, California continues to rely on landfills to get rid of its garbage. This is because, in part, California's lead agency responsible for solid waste management policies has emphasized landfilling in past years and there has been little pressure to develop disposal alternatives, including recycling. With landfills rapidly filling, the state has allowed a situation to develop that threatens the health of citizens and the environment, as well as depletes natural resources and engenders escalating costs.

## Findings and Recommendations

The Commission's solid waste management report details three findings and five corresponding recommendations.

FINDING 1: California lacks an integrated system for managing its solid waste.

**Recommendation 1: The Governor and the Legislature should enact legislation that explicitly**

establishes a statewide program that is based on a hierarchy in which source reduction is the first priority, recycling and composting the second, environmentally safe incineration the third and environmentally safe landfill disposal the lowest priority.

**Recommendation 2:** To educate the public to the real costs of landfills, the Governor and the Legislature should require counties to establish solid waste programs that institute per-can or per-bag fees and to bill separately for garbage hauling. Further, the state should embark on an aggressive public education program to teach the value of conservation and efficient use of resources.

FINDING 2: The state lacks a comprehensive statewide recycling program.

**Recommendation 3:** The Governor and the Legislature should enact legislation that requires local governments to prepare, adopt and implement plans to divert 25 percent of the waste that now goes to landfills. To underwrite the costs, local governments would be allowed to impose fees on generators of the waste.

**Recommendation 4:** A study should be conducted to determine the costs avoided by increasing recycling. If consistent with the results of the study, the Governor and the Legislature should enact a program of tax credits and mandatory government purchase of recycled materials to encourage recycling and save the costs found in the study.

FINDING 3: The California Waste Management Board has been ineffective. The board has failed to meet its responsibilities to encourage integrated waste management, as already required by state law, and has failed to discourage the use of landfills. The board's effectiveness is hampered by the public's attitude to solid waste and the common perception that the board is not independent of certain interests in the waste industry.

**Recommendation 5:** The Governor and the Legislature should change the structure of the California Waste Management Board to an independent five-member board appointed by the Governor, Senate Rules Committee and the

**Assembly Speaker, with a diversity of membership and expertise. In addition, requirements concerning conflicts of interest should be tightened for the board.**

#### **Conclusion**

The Little Hoover Commission's report on solid waste management was issued at a time when there was widespread unhappiness with the state's handling of solid waste. The report served to document the severity of the crisis and focus attention on the need for immediate solutions, and the Commission sponsored three pieces of legislation based on the report. With the passage of a major overhaul of the state's solid waste management structure now in law, this area will be ripe for a review in the future to determine if all recommendations have been implemented effectively.



# Homeless

California's homeless are not a hidden problem. Not only are they highly visible all around the state, but also they are the focus of more than \$780 million worth of programs and services annually--a clear sign of commitment to and concern for the homeless on the part of Californians. Yet still the state's streets, parking lots, greenbelts, alleys and stairwells are hosts to thousands nightly. The Little Hoover Commission explores this problem in a report entitled "Meeting the Needs of California's Homeless: It Takes More Than A Roof" in June 1989.

In its report, the Commission concludes that despite the intense interest in meeting the needs of the homeless and despite the allocation of considerable resources to do so, the state has failed to provide an effective safety net that ensures people will be adequately housed.

## Findings and Recommendations

The report contains three findings and 13 recommendations flowing from those findings.

FINDING 1: Because of diffused state leadership, services provided for the homeless are fragmented. As a result, some segments of the homeless population are not served or are served inadequately.

**Recommendation 1: The diverse state programs dealing with the homeless should be unified under the state Health and Welfare Agency.**

**Recommendation 2: The Department of Housing and Community Development should set up a unit**

to qualitatively evaluate local homelessness efforts based on state-promulgated priorities and policies, and aggressively recommend model programs and alternatives to local regions.

**Recommendation 3:** The Department of Housing and Community Development should serve as a clearing house for information on programs for the homeless.

**Recommendation 4:** The Governor and the Legislature should expand the duties of the Attorney General's Charitable Trust Division so that it can operate more effectively on the public's behalf.

FINDING 2: Availability of the three main types of homeless programs (emergency, transitional and permanent) is uneven, and there is no efficient, coordinated method of moving the homeless through the different programs.

**Recommendation 5:** The Governor and Legislature should fund the creation of Homeless Coordinated Intake Centers, funneling one-time grants to counties through the Department of Housing and Community Development.

**Recommendation 6:** The Governor and the Legislature should require the Health and Welfare Agency to create a training program for homeless case management workers and provide such training to county personnel.

**Recommendation 7:** The Governor and the Legislature should amend the Lanterman-Petris-Short Act to further define "gravely disabled" to allow a wider scope for treatment of the homeless mentally disabled.

**Recommendation 8:** The Governor and the Legislature should create a "provisional leave" program for mentally ill persons for continued monitoring after involuntary care is completed.

**Recommendation 9:** As funding is provided for emergency shelters, such as from state bond money, it should be focused on facilities for homeless families, runaway youths and dual-diagnosed individuals (mentally ill substance abusers).

**Recommendation 10:** The Governor and the Legislature should investigate the use of state-owned vacant, surplus property for development of transitional housing, particularly for the mentally disabled.

**Recommendation 11:** The Governor and the Legislature should expand the use of innovative tools to place people in permanent housing.

FINDING 3: Because there is no cohesive approach to a statewide housing policy, many actions at various levels of government drive up the cost of housing and/or discourage the availability of adequate, affordable housing.

**Recommendation 12:** The Governor and the Legislature should study the interplay and effect of land use factors including, but not limited to, slow-growth initiatives, locally imposed building fees, general plan housing elements, rent control and restrictive zoning practices.

**Recommendation 13:** The Governor and the Legislature should authorize a complete review of the Building Standards Code.

### Conclusion

The Commission sponsored 12 bills relating to the homeless report. Although major shifts in the state's approach to homeless programs were not immediately adopted, the Little Hoover Commission's efforts to increase the efficiency and effectiveness of state programs will continue in future years. The Commission sees a clear linkage between this initial homeless report and its planned study of affordable housing in 1991.



# Skilled Nursing Facilities

When someone is frail, elderly and friendless, the State should be particularly vigilant in shielding that person from harm. Yet many of the 115,000 persons in California's nursing homes face their final days alone and neglected. The Little Hoover Commission in 1989 issued its third report on conditions in nursing homes. Entitled "The Medical Care of California's Nursing Home Residents: Inadequate Care, Inadequate Oversight," the report focuses on the medical care that is provided to nursing home residents.

The current report follows in the footsteps of its predecessor reports in that substantial recommendations are made for improving the quality of life of those in nursing homes. A review of the earlier reports shows that progress has been made: "The Bureaucracy of Care," issued in 1983, resulted in the enactment of the Nursing Home Patients' Protection Act and further changes in law came out of recommendations in "New and Continuing Impediments to Improving the Quality of Life and Quality of Care in California's Nursing Homes," issued in 1987. Those two reports can be briefly summarized as follows:

## **The Bureaucracy of Care**

Specific recommendation areas included eliminating Medi-Cal patient "dumping;" overhauling the enforcement/fining system; better defining the oversight role of the Department of Health Services; increased criminal penalties for willful and repeated violators; greater statutory rights for complainants; and creating better information systems and public access to that information. Among the changes achieved were a new class of penalties ranging

from \$5,000 to \$25,000 when the facility is responsible for the death of a resident.

**Legislation from 1983 Report**

**AB 180 (Isenberg):** Redefines and strengthens penalty system and increased fines for violation of patient rights and endangering patient health and safety (A and B citations).

Status of measure: Chapter 10, 1985 Statutes

**AB 3580 (Duffy):** Revises membership of committee on nursing homes that advises the director of the Department of Health Services.

Status of measure: Chapter 1351, 1986 Statutes

**AB 3644 (Stirling):** Gives priority status to criminal cases where the elderly are victims or material witnesses.

Status of measure: Chapter 588, 1986 Statutes

**SB 3923 (McClintock):** Makes falsification of skilled nursing facility records a Class "A" or "B" citation (as defined).

Status of measure: Chapter 1126, 1986 Statutes

**SB 53 (Mello):** Requires acceptance of Medi-Cal patients in licensed skilled nursing facilities.

Status of measure: Chapter 11, 1985 Statutes

**SB 26 (Mello):** Increases penalties for repeat facility offenders from \$1,000 to \$2,500.

Status of measure: Chapter 856, 1986 Statutes

**SB 274 (Watson):** Requires the Department of Health Services to develop programs for facilities to contract with or employ geriatric nurse practitioners.

Status of measure: Chapter 119, 1986 Statutes

**AB 1834 (Connelly):** Requires Department of Health Services to report enforcement actions to the Board of Examiners for Nursing Home Administrators for disciplinary action.

Status of measure: Chapter 816, 1987 Statutes

AB 2047 (Katz): Requires facilities to reimburse for or replace articles lost or stolen if facility did not have reasonable safeguards.

Status of measure: Chapter 1235, 1987 Statutes

SB 73 (Lockyer): Mandates expeditious resolution of contested "B" citations and permits families to meet privately with residents.

Status of measure: Chapter 1125, 1987 Statutes

SB 526 (Mello): Designates Attorney General's Office responsible for investigation and prosecution of cases of abuse in nursing homes.

Status of measure: Chapter 637, 1987 Statutes

SB 1220 (Mello): Allows State to place insolvent homes in receivership so as to continue caring for the patients.

Status of measure: Chapter 666, 1987 Statutes

SB 1330 (McCorquodale): Specifies contents, terms and conditions for admissions agreements.

Status of measure: Chapter 625, 1987 Statutes

**New and Continuing Impediments To Improving  
the Quality of Life and the Quality of Care  
in California's Nursing Homes**

Significant recommendation areas included increasing enforcement and penalty collection efforts by the State, allowing state receivership for certain skilled nursing facilities as an intermediate sanction, ensuring that voluntary Medi-Cal decertification would not penalize current residents, and increasing consumer information services.

**Legislation from 1987 Report**

AB 258 (Wyman): Requires the Department of Health Services to develop theft and loss protection and recovery policies for facilities.

Status of measure: Chapter 1226, 1987 Statutes

AB 688 (Isenberg): Requires facilities that voluntarily decertify from Medi-Cal to continue to care for all patients in the facility at the time of decertification.

Status of measure: Chapter 1141, 1987 Statutes

SB 860 (Campbell): Expedites the hearing process on AA, A and B citations.

Status of measure: Chapter 84, 1987 Statutes

**The Medical Care of California's Nursing Home Residents:  
Inadequate Care, Inadequate Oversight**

Unlike the two reports detailed above, the 1989 report focuses solely on medical care provided to nursing home residents. In essence the report determines that high quality medical care was not the top priority of any state agency or any industry group involved with nursing homes.

**Findings and Recommendations**

The 1989 report included 18 findings and 18 corresponding recommendations.

FINDING 1: There is no regular formal procedure or process to regularly and systematically review and evaluate the quality of medical care provided to nursing home patients.

**Recommendation 1: A formal system of physician peer review should be established as a requirement for licensure and operation of all nursing homes in California.**

FINDING 2: There has been little attempt made to develop guidelines for standards of medical practice in nursing homes.

**Recommendation 2: An ad hoc committee should be convened to develop guidelines and standards of practice for medical care in nursing homes.**

FINDING 3: For a number of people in nursing homes, effective contact with their physician is extremely difficult to either establish or maintain.

**Recommendation 3: Patient neglect, or de facto patient abandonment and mistreatment, should be clearly defined in law and substantial penalties for such conduct should be prescribed.**

FINDING 4: Despite the fact that the Board of Medical Quality Assurance has the legal authority to issue citations and fines, this has not been done.

**Recommendation 4: The Board of Medical Quality Assurance should establish regulations for the issuance of citations and fines for poor medical care of nursing home residents.**

FINDING 5: To a certain extent, the Board of Medical Quality Assurance has been hampered in its oversight activities by restrictive guidelines and enabling legislation and regulations.

**Recommendation 5: Investigators from the Board of Medical Quality Assurance should be granted a waiver of confidentiality for medical records for investigatory purposes.**

FINDING 6: There is a lack of coordination between the Licensing and Certification Division and the Board of Medical Quality Assurance.

**Recommendation 6: The Licensing and Certification Division should immediately coordinate and centralize all reports from its regional offices concerning medical care cases that are to be referred to the Board of Medical Quality Assurance.**

FINDING 7: The Licensing and Certification Division does not have a centralized referral process for complaints about medical care in nursing homes.

**Recommendation 7: Both the Licensing and Certification Division and the Board of Medical Quality Assurance should rapidly improve their management information and tracking systems.**

FINDING 8: It is difficult for the ordinary citizen to determine where or how to complain about conditions or treatment in long-term care facilities.

**Recommendation 8: An attachment to the current Admissions Agreement for every long-term care facility in the state should be developed by the Board of Medical Quality Assurance and the Licensing and Certification Division describing how to access and follow up with requests for information and complaint-filing procedures.**

FINDING 9: There are an inadequate number of "eyes and ears" observing the care needs of the residents of long-term care facilities.

**Recommendation 9:** The Ombudsman Program should mandate that as part of its training for all professional and volunteer staff, a portion of the curriculum shall be devoted to describing in detail the procedures for filing requests for information or complaints with the Board of Medical Quality Assurance and with the Licensing and Certification Division.

FINDING 10: There is an insufficient number of physicians who work effectively in long-term care settings.

**Recommendation 10:** The Board of Medical Quality Assurance in cooperation with the University of California, the California Association of Medical Directors and the California Medical Association should develop additional training and continuing education in geriatric medicine.

FINDING 11: Although there may be a substantial oversupply of physicians in the United States, it is unlikely that this will, of itself, guide physicians to work in geriatric medicine in long-term care settings.

**Recommendation 11:** Every effort should be made to increase the number of physicians with skills in gerontology and geriatrics. The Governor and the Legislature should establish a California Health Services Corps to partially fund physician education for those willing to specialize in geriatrics at the University of California medical schools.

FINDING 12: Given the shortages in available physicians to work in long-term care settings, the use of physician extenders has not been adequately explored.

**Recommendation 12:** Programs that enhance the role of physician extenders (physician assistants and geriatric nurse practitioners) need to be further developed. Medi-Cal requirements should be modified to permit direct payment for services provided by licensed physician assistants, geriatric nurse practitioners and other qualified nurse practitioners.

FINDING 13: The position of Medical Director of a long-term care facility is a critically important one.

**Recommendation 13:** Medical Directors contracted by any California long-term care facility after

September 1, 1989, should be required to have completed a specified number of Continuing Medical Education hours in gerontology and geriatric medicine as a contractual condition of initial and continued employment.

FINDING 14: The role of the Medical Director needs to be expanded in terms of the training and experience that he or she must have in order to provide medical leadership for the facility.

**Recommendation 14: Title 22 of the California Code of Administrative Regulations should be amended in order to significantly broaden the responsibilities of the Medical Director of any long-term care facility.**

FINDING 15: The number of patients and nursing homes that a Medical Director can be responsible for is unlimited.

**Recommendation 15: No Medical Director should be responsible for more than four separate facilities or a total of 400 beds.**

FINDING 16: California long-term care facilities are the home for a large number of persons who present some of the major bioethical discussion, decisions and dilemmas of our time.

**Recommendation 16: Long-term care facilities should establish either regional or institutional Ethics Committees.**

FINDING 17: Many residents of nursing homes are receiving too many psychoactive drugs.

**Recommendation 17: Policy standards regarding the maintenance of mental health and the treatment of mental illness in nursing home patients need to be developed.**

FINDING 18: The severe and ongoing nursing shortage has resulted in nursing homes having to depend on nursing registries to secure the services of part-time nurses.

**Recommendation 18: Standards for the operation of nursing registries that provide part-time nurses to long-term care facilities should be quickly and cooperatively developed.**

### **Conclusion**

Since it first began investigating skilled nursing facilities in 1984, the Little Hoover Commission has repeatedly expressed grave concerns about the treatment of California's elderly citizens who cannot spend their final days in their own homes. With a trilogy of reports, the Commission has tackled nursing home problems from a wide range of perspectives: administrative, medical and simple humanity. Over the years, the Commission's sponsorship and support have resulted in the passage of more than a dozen new laws to increase the effective monitoring of facilities, to safeguard the rights of patients and their families and to improve the quality of care. It is anticipated that the Commission will monitor progress in this type of facility in the future and continue to pursue the implementation of the recommendations that it has forged in the past six years.

# Residential Care

The nation watched in shock in December 1988 as Sacramento police unearthed the bodies of seven elderly people from the backyard of an unlicensed board and care facility. But the Little Hoover Commission, which sharing the universal dismay, could hardly be shocked. It had investigated such residential facilities in reports issued in December 1983 and February 1985, and was on the verge of issuing yet another followup in early 1989. The conclusion of all of these reports was that the state has not committed adequate resources--either in manpower, legal sanctions or computer systems--to ensure that board and care homes are safe havens for the elderly.

The earlier reports can be summarized as follows:

### **Community Residential Care in California: Community Care as a Long-Term Care Service**

The major areas for findings in this December 1983 report included the need for case management services for the elderly, the need for training and certification for caregivers, the fact that the State's data base and information management systems were not adequate, the need for more "eyes and ears" to inspect facilities and the failure of the state to root out unlicensed facilities.

### **Legislation from 1983 Report**

AB 3474 (Wyman): Establishes automated license information system to maintain records for facilities.

Status of measure: Chapter 1524, 1984 Statutes

AB 3589 (Mojonnier): Permits residents of community care facilities to organize resident councils.

Status of measure: Chapter 1272, 1984 Statutes

AB 3662 (Filante): Creates 24-hour hotline from community care facilities to State Ombudsman.

Status of measure: Chapter 1623, 1984 Statutes

AB 3839 (Rogers): Authorizes State Ombudsman to form a foundation eligible for tax deductible donations.

Status of measure: Chapter 1206, 1984 Statutes

AB 3906 (Allen): Requires publication of a consumer brochure for licensed community care facilities.

Status of measure: Chapter 552, 1984 Statutes

AB 133 (Allen): Develops yellow pages listing for community care facilities according to major group served.

Status of measure: Chapter 89, 1984 Statutes

**Followup Report on Conditions in Community Residential Care Facilities in California**

This February 1985 letter report focused on the failure of the Department of Social Services to respond to and resolve complaints, to coordinate its monitoring efforts with other governmental units and to manage its resources more effectively. In addition, the letter report urged adoption of all the recommendations from the previous report that had not yet been implemented.

**Legislation from 1985 Report**

AB 17 (Wright): Requires placement agencies to place persons only in licensed facilities.

Status of measure: Chapter 1096, 1985 Statutes

AB 83 (Herger): Requires community care facilities to adhere to the rules for all "long-term care facilities."

Status of measure: Chapter 503, 1985 Statutes

AB 384 (Filante): Prohibits operation of unlicensed community care facilities in the State.

Status of measure: Chapter 728, 1985 Statutes

AB 1539 (Seastrand): Encourages regular family involvement with residents of care facilities.

Status of measure: Chapter 954, 1985 Statutes

AB 1674 (Wyman): Requires timely processing of license revocations.

Status of measure: Chapter 1536, 1985 Statutes

AB 1676 (Wyman): Allows the Department of Social Services to take stronger enforcement action against deficient care facilities.

Status of measure: Chapter 1372, 1985 Statutes

AB 1940 (Bates): Establishes additional enforcement mechanisms for Department of Social Services against unlicensed facilities.

Status of measure: Chapter 1415, 1985 Statutes

SB 185 (Mello): "Residential Facilities for the Elderly Act" establishes separate licensing procedure for elderly care facilities.

Status of measure: Chapter 1127, 1985 Statutes

### **Report on Community Residential Care for the Elderly**

The Commission's January 1989 report, entitled "Report on Community Residential Care for the Elderly," continued to focus on the state's role as a watchdog over board and care facilities.

The report notes that one in every six residential care facilities is unlicensed and found that a backlogged, time-consuming licensing process actually encourages operators to begin their businesses with no licenses. An increased fine structure recommended in earlier Little Hoover Commission reports is either not used at all by the state or is enforced so haphazardly that its deterrent effect is little. Overworked ombudsmen can only reach about 40 percent of the facilities each year, and they estimate at least 550 cases of abuse a year in the small numbers of places they visit.

All in all, the 1989 report found little positive about the state's oversight of board and care facilities.

## Findings and Recommendations

The January 1989 report included 11 findings and 10 areas of recommendations. (Since recommendations may spring from more than one finding, the recommendations are presented separately below. The original report lists multiple, specific actions to be taken under each general recommendation.)

FINDING 1: Abuse and neglect of residents are ongoing problems.

FINDING 2: Performance by the Community Care Licensing Division often is characterized as arbitrary and slow.

FINDING 3: The Department of Social Service's enforcement program suffers from underutilization of penalties, fines and relationships with local law enforcement agencies.

FINDING 4: Unlicensed facilities are undeterred by current enforcement efforts.

FINDING 5: Case management services are not systematically available to older Californians.

FINDING 6: State fire regulations do not recognize residential facilities as a special case.

FINDING 7: Small facilities lack the special oversight they need to function in the residential care network.

FINDING 8: Quality is a low priority in California's residential care regulatory program.

FINDING 9: Emergency relocation procedures are not standardized and are underfunded.

FINDING 10: The costs of providing residential care are not documented by the state.

FINDING 11: Private funding mechanisms are too new and untried to relieve the public sector's financial burden.

**Recommendation 1: Certify residential care facility administrators to increase their level of training and responsibility.**

**Recommendation 2: Authorize and fund counties, at their option, to license small residential care facilities and provide placement counseling and assistance.**

**Recommendation 3: Identify new revenue sources from which to increase funding for residential care for the elderly.**

**Recommendation 4: Improve effectiveness of monitoring and law enforcement.**

**Recommendation 5: Launch a well-coordinated campaign to detect and eliminate unlicensed facilities.**

**Recommendation 6: Strengthen current law and regulations pertaining to resident protections.**

**Recommendation 7: Develop protocols for emergency services coordination.**

**Recommendation 8: Develop a waiver application procedure for requesting permission to operate a locked facility.**

**Recommendation 9: Upgrade the Department of Social Services' information management capabilities.**

**Recommendation 10: Develop fire safety regulations specific to residential care facilities.**

### **Conclusion**

The Little Hoover Commission, through its reports, recommendations and significant legislative success, has been able to have substantial impact on the issue of residential care facilities. Progress has been made on ensuring that the public is well-informed when it chooses a facility, on educating and training those who work in the facilities and on prodding the state into a more effective oversight mode. The long-term effect of these measures, however, will have to be assessed in the future.



## APPENDIX A

| <u>Title</u>   | <u>Date</u>        | <u>Cost</u> |
|--|--------------------|-------------|
| 1. Findings & Recommendations Concerning Reorganization of the Executive Branch of California State Government   | December 31, 1962  | n/c         |
| 2. Findings and Recommendations Concerning Organization for Central Staff Services   | March 11, 1963     | n/c         |
| 3. Findings and Recommendations Concerning Automotive Fleet Management   | June 24, 1963      | n/c         |
| 4. Proposals Relating to Inheritance Tax Administration <b>(Letter)</b>  | December 28, 1964  | n/c         |
| 5. Need for Revenue Unification <b>(Letter)</b>  | December 28, 1964  | n/c         |
| 6. Management Manpower Requirements  | February 23, 1965  | n/c         |
| 7. Engineering Costs in the Division of Highways <b>(Letter)</b>   | April 7, 1965      | n/c         |
| 8. The Use of Boards and Commissions in the Resources Agency   | April 9, 1965      | n/c         |
| 9. Program Budgeting <b>(Letter)</b>   | February 28, 1966  | n/c         |
| 10. Statement of the Commission's 1967 Legislative Interests, (placing top priority on unification of tax collection activities, procedural changes that will result in direct economies in the operation of the State Government, etc.) <b>(Letter)</b> | December 12, 1966  | n/c         |
| 11. The California State Highway Commission and its Relationship to the State Transportation Agency, the Department of Public Works and Division of Highways <b>(Letter)</b>   | December 28, 1966  | n/c         |
| 12. An Examination of the Department of Professional and Vocational Standards  | September 15, 1967 | n/c         |
| 13. Report on California Statutory Salaries of Executive Branch of Government  | December 11, 1968  | n/c         |
| 14. A Study of the Department of Industrial Relations  | December 4, 1969   | n/c         |
| 15. Study of the Need for a Materials Management System  | May 14, 1970       | n/c         |
| 16. A Pilot Study of California State Employee Workmen's Compensation and Other Work-Related Disability Benefits   | May 15, 1970       | n/c         |
| 17. Report on Local California Fairs Receiving State Financial Support   | May 1, 1971        | n/c         |

| <u>Title</u>   | <u>Date</u>       | <u>Cost</u> |
|--|-------------------|-------------|
| 18. Study of Salaries of Executive and Administrative Positions in California Government                     | January 10, 1972  | n/c         |
| 19. Preliminary Findings of Subcommittee on California Division of Highways Excess Right of Way              | January 12, 1972  | n/c         |
| 20. A Study of the School Building Aid Program   |                   |             |
| 21. The Internal Auditing Program in the Executive Branch of California State Government                     | June 4, 1973      | n/c         |
|  | March 21, 1974    | n/c         |
| 22. Administration of the HUD-701 Comprehensive Planning Assistance Grant Program by the State of California | August 5, 1974    | n/c         |
| 23. A Study of the California State Public Utilities Commission  |                   |             |
| 24. A Review of California's Vehicle Emission Control Program  | December 13, 1974 | n/c         |
| 25. A Study of the Administration of State Health Programs (Out of Print)                                    | January 15, 1975  | n/c         |
| 26. Supplemental Report on Licensing & Certification, Department of Health                                   | January 14, 1976  | n/c         |
| 27. Supplemental Report on State Hospitals, Department of Health   | March 1977        | n/c         |
| 28. Should Social Security Coverage Be Continued for California State Employees                              | April 1977        | n/c         |
|  | April 1977        | n/c         |
| 29. Study of the California Department of Transportation   |                   |             |
| 30. Study of the California Department of Motor Vehicles   | May 1977          | n/c         |
| 31. Supplemental Report on Medi-Cal Program, Department of Health  | May 1977          | n/c         |
| 32. Supplemental Report on Developmental Disabilities Program, Department of Health                          | September 1977    | n/c         |
|  | December 1977     | n/c         |
| 33. Study of the Utilization of Public School Facilities (K through 12)                                      |                   |             |
| 34. An Analysis of Community Hospital Medi-Cal Audits  | July 1978         | n/c         |
| 35. Comments and Recommendations Regarding Professional and Business Licensing                               | July 1978         | n/c         |
|  | January 1979      | n/c         |
| 36. The Status of Health Planning in California - A Supplementary Report                                     | February 1979     | n/c         |

| <u>Title</u>  | <u>Date</u>    | <u>Cost</u> |
|---|----------------|-------------|
| 37. Administration of the Medi-Cal Program -- Second Supplementary Report                                 | February 1979  | n/c         |
| 38. The Tax Appeals System in California  | May 1979       | n/c         |
| 39. Administration of the Mental Health & Developmental Disabilities Programs                             | August 1979    | n/c         |
| 40. Personnel Management in the State Service   | August 1979    | n/c         |
| 41. Medi-Cal Reform (Letter)  | September 1979 | n/c         |
| 42. 1979 Summary of Activities  | March 1980     | n/c         |
| 43. Health Care Delivery System Reform (Letter)   | May 1980       | n/c         |
| 44. Additional Funding for the Los Angeles Unified School District (Letter)                               | November 1980  | n/c         |
| 45. A Report on the Los Angeles Unified School District   | June 1981      | n/c         |
| 46. Century Freeway Report (Letter)   | August 1981    | n/c         |
| 47. Report on the San Juan Unified School District  | January 1982   | \$ 1.80     |
| 48. Report on the Role of the State Department of Education in California's K-12 Public Education System  | June 1982      | \$ 2.70     |
| 49. Horse Racing in California: Revenue and Regulation  | July 1982      | \$ 3.60     |
| 50. Century Freeway Report (Letter)   | December 1982  | n/c         |
| 51. Office of Special Health Care Negotiations (Letter)   | March 1983     | n/c         |
| 52. Review of Cost Savings Associated with Conversion of Guadalupe College into a Women's Prison (Letter) | March 25, 1983 | n/c         |
| 53. Review of the Department of Transportation's Highway Planning and Development Process                 | June 1983      | \$ 2.70     |
| 54. California's K-12 Education Funding Report (Letter)   | June 1983      | n/c         |
| 55. THE BUREAUCRACY OF CARE - Continuing Policy Issues for Nursing Home Services and Regulation           | August 1983    | \$14.40     |
| 55a. Executive Summary of the "Bureaucracy of Care"   | August 1983    | \$ 1.80     |

|     | <u>Title</u>  | <u>Date</u>   | <u>Cost</u> |
|-----|---|---------------|-------------|
| 56. | Los Angeles County Contracting Out Report (Letter)  | November 1983 | n/c         |
| 57. | Community Residential Care in California - Community Care as a Long Term Care Service   | December 1983 | \$ 5.80     |
| 58. | State Employee Air Travel Report (Letter)   | February 1984 | n/c         |
| 59. | A Study of the Organization and Coordination of Electric Energy Planning and Electric Utility Regulation in California                          | February 1984 | \$ 2.70     |
| 60. | 1982-83 ANNUAL REPORT - Summary of Activities and Status of Recommendations   | March 1984    | \$ 1.80     |
| 61. | A Review of the Organization and Management of the State "Superfund" Program for Cleaning Up Hazardous Waste Sites                              | July 1984     | \$ 8.00     |
| 62. | A Review of State-Owned Land Parcel in Contra Costa County (Letter)   | July 1984     | n/c         |
| 63. | Follow-Up Report on Conditions in Community Residential Care Facilities in California (Letter)  | February 1985 | n/c         |
| 64. | Control of Pesticide Residues in Food Products - A Review of the California Program of Pesticide Regulation                                     | March 1985    | \$10.00     |
| 65. | A Review of the Organization and Management of State Telecommunications   | April 1985    | \$12.00     |
| 66. | A Review of Selected Taxing and Enforcing Agencies' Programs to Control the Underground Economy   | August 1985   | \$ 2.70     |
| 67. | A Review of Impact Fees Used to Finance School Facilities (Letter)  | December 1985 | n/c         |
| 68. | A Review of Government Competition with Private Enterprise (Letter)   | January 1986  | n/c         |
| 69. | Inadequate Financial Accountability in California's Community College System  | February 1986 | \$ 2.70     |
| 70. | California State Government's Management of Real Property   | March 1986    | \$ 4.30     |
| 71. | Review of the Organization and Operation of the State of California's Major Revenue and Tax Collection Functions and Cash Management Activities | April 1986    | \$ 4.90     |
| 72. | Biennial Report - February 1984-86: A Summary of Activities and Status of Recommendations   | May 1986      | \$ 1.80     |

|     | <u>Title</u>  | <u>Date</u>   | <u>Cost</u> |
|-----|---|---------------|-------------|
| 73. | A Review of Use of Lottery Funds in the State's K-12 Public School System (Letter)                                    | June 1986     | n/c         |
| 74. | A Report on the Liability Insurance Crisis in the State of California   | July 1986     | \$ 2.70     |
| 75. | A Report on the Lack of Financial Accountability and Responsibility in the State's K-12 Public School System          | December 1986 | n/c         |
| 76. | A Review of the State Controller's Office Move to the Capitol Bank of Commerce Building (Letter)                      | December 1986 | n/c         |
| 77. | A Review of the Organization, Operation and Performance of the California State Lottery                               | January 1987  | \$ 4.00     |
| 78. | Children's Services Delivery System in California Preliminary Report - Phase I  | March 1987    | \$ 4.40     |
| 79. | Accessibility of the Disabled Population of Substance Abuse Treatment   | May 1987      | n/c         |
| 80. | New and Continuing Impediments to Improving the Quality of Life and the Quality of Care in California's Nursing Homes | May 1987      | \$ 7.00     |
| 81. | Review of the State's Medi-Cal Program and the Effects of the Reforms (Letter)  | May 1987      | n/c         |
| 82. | A Review of Crime on University of California Campuses (Letter)   | June 1987     | n/c         |
| 83. | A Review of the Organization and Administration of California's Overseas Trade and Investment Offices                 | July 1987     | \$ 4.40     |
| 84. | Children's Services Delivery System in California -- Final Report   | October 1987  | \$ 8.00     |
| 85. | A Report on the Financial Management and Accountability in the State's K-12 Public School System                      | November 1987 | \$ 2.00     |
| 86. | Commission's 25th Anniversary - Commemorative Report  | January 1988  | n/c         |
| 87. | A Review of the Current Problems in California's Worker's Compensation System   | March 1988    | \$ 1.80     |
| 88. | A Report on the Planning, Operation and Funding of California's Highway System  | March 1988    | \$ 3.50     |
| 89. | A Report on the Coordination of Funding for Drug Programs in the State of California (Letter)                         | June 1988     | n/c         |

|      | <u>Title</u>   | <u>Date</u>   | <u>Cost</u> |
|------|--|---------------|-------------|
| 90.  | A Review of the Operation and Performance of the Office of the State Public Defender                         | October 1988  | \$ 2.00     |
| 91.  | A Report on Crime and Violence in California's Public School System  | December 1988 | \$ 1.80     |
| 92.  | A Report on Community Residential Care for the Elderly   | January 1989  | \$ 3.50     |
| 93.  | The Medical Care of California's Nursing Home Residents: Inadequate Care, Inadequate Oversight               | February 1989 | \$ 4.00     |
| 94.  | A Review of the Organization Operation and Performance of the California State Lottery                       | May 1989      | n/c         |
| 95.  | Meeting the Needs of California's Homeless: It Takes More Than a Roof  | May 1989      | \$ 1.80     |
| 96.  | Report on Solid Waste Management: The Trashing of California   | July 1989     | \$ 2.00     |
| 97.  | Boards and Commissions: California's Hidden Government (Letter)  | July 1989     | n/c         |
| 98.  | Follow-up Review of the Organization, Operation and Performance of the California State Lottery (Letter)     | December 1989 | n/c         |
| 99.  | Report on California's Fish and Game Commission and Department of Fish and Game                              | January 1990  | \$ 2.00     |
| 100. | K-12 Education in California: A Look At Some Policy Issues   | February 1990 | \$ 2.75     |
| 101. | Runaway/Homeless Youths: California's Efforts to Recycle Society's Throwaways (Letter)                       | April 1990    | \$ 1.00     |
| 102. | Little Hoover Commission, 1988 through 1989: Two Years of Progress Toward Efficient and Effective Government | April 1990    | \$ 2.00     |
| 103. | The Public Employment Relations Board (PERB) Costly, Slow and Unsure (Letter)                                | April 1990    | \$ 1.00     |
| 104. | California's Coordination of AIDS Services   | May 1990      | \$ 1.50     |
| 105. | Real Property Management in California: Moving Beyond The Role of Caretaker                                  | October 1990  | \$ 3.60     |
| 106. | A Prescription for Medi-Cal  | November 1990 | \$ 5.00     |
| 107. | Little Hoover Commission 1989-1990: Turning Policy Recommendations Into Law                                  | December 1990 | \$ 3.00     |