

AMENDED IN ASSEMBLY AUGUST 25, 2003

AMENDED IN SENATE APRIL 21, 2003

AMENDED IN SENATE FEBRUARY 18, 2003

SENATE BILL

No. 9

Introduced by Senators McClintock and Perata

(Coauthors: Senators Aanestad, Ackerman, Ashburn, Battin, Brulte, Denham, Ducheny, Hollingsworth, Johnson, Knight, Margett, McPherson, Morrow, Oller, Poochigian, Romero, Scott, Soto, and Speier)

(Coauthors: Assembly Members Aghazarian, Bates, Benoit, Bogh, Campbell, Cogdill, Cox, Dutton, Garcia, Harman, Haynes, Keene, Kehoe, Koretz, La Malfa, La Suer, Leslie, Maddox, Maldonado, Maze, Nakanishi, Pacheco, Plescia, Runner, Salinas, Spitzer, Strickland, and Wyland)

December 2, 2002

An act to add *and repeal* Chapter 8.2 (commencing with Section 11820) ~~to~~ of Part 1 of Division 3 of Title 2 of the Government Code, relating to government reorganization, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 9, as amended, McClintock. Government reorganization: realignment or closure.

The State Government Strategic Planning and Performance and Review Act requires each state agency, department, office, and commission for which strategic planning efforts are recommended to develop a strategic plan, as specified, that identifies, among other things, the steps being taken to develop performance measures to

implement a performance budgeting system or a performance review. The act also requires that these entities report to the Governor and the Joint Legislative Budget Committee by April 1 of each year on the steps being taken to develop and adopt a strategic plan.

Existing law sets forth specified procedures for the preparation, submission, and implementation of the Governor's reorganization plans.

This bill would enact the Bureaucracy Realignment and Closure Act of 2004. It would establish the Bureaucracy Realignment and Closure Commission in state government with a specified membership. Beginning on January 1, 2004, the Controller, the Director of Finance, the Legislative Analyst, the Legislative Counsel, the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, and the State Auditor would be required to develop recommendations for the closure or realignment of state bureaucracies for consideration by the commission. It would require the commission to independently evaluate the recommendations, conduct 3 public hearings, and, by January 1, 2005, have at least one member of the commission visit each state bureaucracy considered for realignment or closure.

This bill would require the commission, not later than July 15, 2005, to submit a report of its final recommendations to the Governor and the Legislature that establishes a list of state bureaucracies that are proposed to be realigned or abolished. It would require the Governor, upon approval of the list of recommendations, to prepare the list as a reorganization plan and to submit the plan to the Legislature under the provisions relating to the Governor's reorganization plans, *except that the Legislature would be authorized to reject the plan upon a majority vote of the membership of either house thereof.*

This bill would appropriate \$250,000 from the General Fund to the commission to defray costs incurred during its first year of operation.

The bill would provide that it shall become inoperative on July 1, 2006, and, as of January 1, 2007, would be repealed.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.



The people of the State of California do enact as follows:

1 SECTION 1. Chapter 8.2 (commencing with Section 11820)
2 is added to Part 1 of Division 3 of Title 2 of the Government Code,
3 to read:

4
5 CHAPTER 8.2. BUREAUCRACY REALIGNMENT AND CLOSURE ACT
6 OF 2004
7

8 11820. It is the intent of the Legislature that this chapter
9 ensure that a timely, independent, and fair process for realigning
10 or closing outdated or ineffective and inefficient governmental
11 agencies, bureaucracies, boards, and commissions is initiated.

12 11821. This chapter shall be known, and may be cited, as the
13 Bureaucracy Realignment and Closure Act of 2004.

14 11822. For the purposes of this chapter, the following
15 definitions shall apply:

16 (a) "Commission" means the Bureaucracy Realignment and
17 Closure Commission established pursuant to Section 11823.

18 (b) "State bureaucracy" means every state agency, office,
19 officer, department, division, bureau, board, or commission.
20 Notwithstanding subdivision (a) of Section 11000, "state
21 bureaucracy" and "state agency" include the California State
22 University.

23 11823. (a) The Bureaucracy Realignment and Closure
24 Commission is hereby established in state government. By April
25 1, 2004, the Governor shall appoint the members of the
26 commission, as follows:

27 (1) One member who shall be appointed upon consultation
28 with the Speaker of the Assembly.

29 (2) One member who shall be appointed upon consultation
30 with the minority leader of the Assembly.

31 (3) One member who shall be appointed upon consultation
32 with the President pro Tempore of the Senate.

33 (4) One member who shall be appointed upon consultation
34 with the minority leader of the Senate.

35 (5) Four members, at the Governor's discretion, subject to
36 confirmation by the Senate.

1 (b) (1) Each member of the commission shall have had
2 management experience prior to his or her appointment to the
3 commission.

4 (2) For purposes of this subdivision, “management
5 experience” means at least a master’s degree or its equivalent, or
6 equivalent experience, in the field of business management or
7 public administration.

8 (c) The Governor shall designate one of the members to be
9 chairperson of the commission.

10 (d) Each member of the commission shall be a United States
11 citizen and a resident of this state.

12 (e) The commission may employ, pursuant to laws and
13 regulations governing state civil service, an executive secretary
14 and any clerical, professional, and technical assistants it deems
15 necessary.

16 11824. No member appointed to the commission shall be any
17 of the following:

18 (a) A party to an ongoing contract with a federal, local, or state
19 governmental agency.

20 (b) Employed by an entity that is a party to an ongoing contract
21 with a federal, local, or state governmental agency.

22 (c) Employed by a federal, local, or state governmental agency.

23 (d) A person who, at the time of his or her appointment or
24 during his or her term of service, qualifies as a lobbyist, as
25 specified in Section 82039.

26 11825. Each member of the commission shall be appointed
27 for a term of two years and may be reappointed for a second term
28 of two years. A person may not serve more than four years total
29 time on the commission.

30 11826. Each member of the commission shall serve without
31 compensation, but shall receive the daily equivalent of the average
32 salary paid to deputy directors of agencies listed in Section 11550
33 for each day while on official business of the commission. The
34 chairperson of the commission shall also serve without
35 compensation, but shall receive the daily equivalent of the salary
36 received by an agency head pursuant to Section 11550 for each day
37 while on official business of the commission. In addition, each
38 member shall also be entitled to receive necessary expenses
39 actually incurred in the performance of his or her duties.

40 11827. The commission shall do all of the following:



1 (a) Examine state bureaucracies in this state primarily to
2 determine if the jurisdictions of various agencies overlap, or if an
3 agency's mission has become obsolete.

4 (b) Submit a report to the Governor and the Legislature that sets
5 forth findings that recommend needed reforms and establishes a
6 list of state bureaucracies to be realigned or abolished.

7 (c) Propose realignment and closure of state bureaucracies
8 within this state in order to reduce duplication of services, increase
9 productivity, and reestablish the proper role of government.

10 (d) Examine the current configuration of state bureaucracies
11 and investigate their duties and responsibilities.

12 11828. The commission may do any of the following:

13 (a) Meet at times and places that it may deem proper.

14 (b) Issue subpoenas to compel the attendance of witnesses and
15 the production of books, records, papers, accounts, reports, and
16 documents.

17 (c) Administer oaths.

18 (d) Contract, as it deems necessary, for the rendition of
19 services, facilities, studies, and reports that will best assist the
20 commission in carrying out its duties and responsibilities.

21 11829. Beginning on January 1, 2004, the Controller, the
22 Director of Finance, the Legislative Analyst, the Legislative
23 Counsel, the Milton Marks "Little Hoover" Commission on
24 California State Government Organization and Economy, and the
25 State Auditor shall develop recommendations for the closure or
26 realignment of state bureaucracies for consideration by the
27 commission. These recommendations shall be reported to the
28 commission by July 15, 2004.

29 11830. Upon receiving the recommendations reported under
30 Section 11829, the commission shall independently evaluate these
31 reports. In addition, the commission may add other state
32 bureaucracies to study for realignment or closure, which may
33 include proposals submitted by residents outside of state
34 government.

35 11831. (a) By January 1, 2005, at least one member of the
36 commission shall have visited each state bureaucracy considered
37 for realignment or closure. In addition, as part of its review
38 process, the commission shall conduct three public hearings in the
39 state with the final hearing occurring on or before March 15, 2005,
40 at Sacramento. The final hearing shall include testimony from the



1 Legislature, other expert witnesses, and the agencies specified in
2 Section 11829.

3 (b) Upon completion of its evaluation and not later than July
4 15, 2005, the commission shall submit its final recommendations
5 to the Governor and the Legislature and transmit a copy of these
6 recommendations to the Director of Finance who shall prepare and
7 issue a public report that displays the forecasted savings in state
8 expenditures that would result from these recommendations.

9 (c) By August 15, 2005, the Governor shall act on the
10 commission's recommendations. The Governor may approve the
11 recommendations or return the recommendations to the
12 commission for revision. If the Governor returns the
13 recommendations, the commission has one month to revise and
14 transmit to the Governor and the Director of Finance an updated
15 list. The commission is not required to incorporate
16 recommendations of the Governor in its list. The director shall
17 prepare a revised public forecast from this list. If the Governor
18 rejects the revised list, that action ends the realignment and closure
19 process for the year without action. However, the commission may
20 submit a revised list in the following year after consideration and
21 at least one public hearing.

22 11832. (a) If the Governor approves the list as submitted by
23 the commission pursuant to subdivision (c) of Section 11831, the
24 Governor shall prepare the list, without alteration or amendment,
25 as a reorganization plan and submit the plan to the Legislature
26 pursuant to Article 7.5 (commencing with Section 12080) of
27 Chapter 1 of Part 2. Upon being transmitted to the Legislature, the
28 plan shall be considered and subject to all applicable provisions of
29 that article, *except as specified in subdivision (b)*. To that end, it
30 is the intent of the Legislature that this chapter be deemed a part
31 of the statutory authority for the Governor to reorganize executive
32 officers and agencies, as specified in Section 6 of Article V of the
33 California Constitution.

34 (b) The plan shall become effective the first day after 60
35 calendar days of continuous session of the Legislature after the
36 date on which the plan is transmitted to each house or at a later date
37 as may be provided by the plan, unless, prior to the end of the
38 60-calendar-day period, ~~both houses of the Legislature adopt~~
39 *either house of the Legislature adopts*, by a majority vote of the



1 duly elected and qualified members thereof, a resolution as
2 specified in subdivision (c) of Section 12080.

3 (c) The plan shall specify that the state bureaucracies
4 recommended for closure or realignment be closed or realigned
5 beginning one year after the effective date of the plan and
6 completed within three years of the effective date.

7 11833. Upon the reorganization plan becoming effective, the
8 Director of Finance shall compute the savings in state
9 governmental expenses that are forecast to occur due to the closure
10 or realignment of the state bureaucracies included in the plan and
11 transmit this information to the Governor and the Legislature. It
12 is the intent of the Legislature that these savings be reflected in
13 reduced taxation or state expenditures.

14 *11834. This chapter shall become inoperative on July 1, 2006,*
15 *and, as of January 1, 2007, is repealed, unless a later enacted*
16 *statute that is enacted before January 1, 2007, deletes or extends*
17 *the dates on which it becomes inoperative and is repealed.*

18 SEC. 2. (a) The sum of two hundred fifty thousand dollars
19 (\$250,000) is hereby appropriated from the General Fund to the
20 Bureaucracy Realignment and Closure Commission created
21 pursuant to Chapter 8.2 (commencing with Section 11820) of Part
22 1 of Division 3 of Title 2 of the Government Code, as added by
23 Section 1 of this act, in order to defray costs incurred by the
24 commission during the first year of operation.

25 (b) The Bureaucracy Realignment and Closure Commission
26 may not expend more than five hundred thousand dollars
27 (\$500,000) in carrying out its duties.

