

AMENDED IN SENATE APRIL 5, 2010

**SENATE BILL**

**No. 887**

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**Introduced by Senator Hollingsworth**

January 20, 2010

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An act to ~~amend Section 8504~~ *add Chapter 5.6 (commencing with Section 8460) to Division 1 of Title 2 of the Government Code*, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 887, as amended, Hollingsworth. ~~Milton Marks Commission membership: Members of the Legislature. Office of the Chief Inspector General.~~

Existing law ~~creates~~ *establishes* the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, which has a prescribed membership that includes 4 members of the Legislature, as prescribed. Existing law specifies that the Members of the Legislature serving as members of the commission be considered a joint committee of the 2 houses of the Legislature constituted and acting as an investigating committee. *The commission reviews reports and submits recommendations to increase the efficiency and accountability of agencies, departments, and programs to the Governor and the Legislature.*

*This bill would establish the Office of the Chief Inspector General, which would be headed by the Chief Inspector General. This bill would require the Chief Inspector General to identify and categorize each agency, department, and program, and submit a proposed sunset timeline for those agencies to the Legislature. This bill would also require the Chief Inspector General to review each agency, department, and program using prescribed criteria and prepare a recommendation*

report, as specified. This bill would require the Chief Inspector General to monitor legislation related to agencies, departments, and programs, as specified.

This bill would require the commission to hold a public hearing to review the Chief Inspector General’s recommendation report, and act on the report, as specified. This bill would also require the commission to submit its recommendations, along with the Chief Inspector General’s report, to the Legislature in the form of a bill that the Legislature shall consider without modification.

~~This bill would make technical, nonsubstantive changes to these provisions:~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
 State-mandated local program: no.

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

1 SECTION 1. Chapter 5.6 (commencing with Section 8460) is  
 2 added to Division 1 of Title 2 of the Government Code, to read:

3  
 4 CHAPTER 5.6. GOVERNMENT REFORM, ACCOUNTABILITY, AND  
 5 SUNSET REVIEW ACT

6  
 7 8460. This chapter shall be known, and may be cited, as the  
 8 Government Reform, Accountability, and Sunset Review Act.

9 8461. The Legislature finds and declares all of the following:  
 10 (a) The Office of the Chief Inspector General is established to  
 11 act as an independent state entity entrusted with the responsibility  
 12 of ensuring that state government meets the fundamental standards  
 13 of efficiency, accountability, and transparency.

14 (b) The mission of the Office of the Chief Inspector General is  
 15 to deter, detect, and disclose waste, fraud, and abuse in state  
 16 government. The Office of the Chief Inspector General shall initiate  
 17 an exhaustive review at least once every 12 years of all state  
 18 agencies, departments, and programs.

19 (c) The Legislature intends, through the state budget process,  
 20 to identify and use existing positions and resources to avoid any  
 21 potential costs associated with the creation and function of the  
 22 Office of the Chief Inspector General.

23 8462. (a) There is hereby created in state government the  
 24 Office of the Chief Inspector General, which shall be headed by

1 *the Chief Inspector General. The Governor shall appoint, subject*  
2 *to confirmation by a two-thirds vote of each house of the*  
3 *Legislature, the Chief Inspector General who shall serve a term*  
4 *of 12 years.*

5 *(b) The Chief Inspector General may be removed from office*  
6 *by a two-thirds vote of each house of the Legislature.*

7 *(c) The annual salary of the Chief Inspector General shall be*  
8 *commensurate with that of agency secretaries of the executive*  
9 *branch pursuant to Section 11550.*

10 *8463. In administering the fiscal policies of the Office of the*  
11 *Chief Inspector General, the office shall submit a proposed budget*  
12 *to the Department of Finance each fiscal year. The Department*  
13 *of Finance shall include the office's proposed budget, without*  
14 *modification, in the Governor's Budget.*

15 *8464. The Chief Inspector General may hire or contract staff*  
16 *for services, including, but not limited to, professional assistants,*  
17 *technical assistants, clerical assistants, and deputy inspectors,*  
18 *that he or she deems necessary to effectively carry out the duties*  
19 *of the office. Employees of the Office of the Chief Inspector General*  
20 *shall not be included within the meaning of "state employee" for*  
21 *purposes of subdivision (c) of Section 3513, and are thereby*  
22 *excluded from collective bargaining.*

23 *8465. (a) On or before July 1, 2011, the Chief Inspector*  
24 *General shall identify and categorize, by policy subject area, each*  
25 *state agency, department, and program. The Chief Inspector*  
26 *General shall submit to the Legislature, for purposes of adoption*  
27 *by statute, a proposed timeline schedule for the sunset of each*  
28 *state agency, department, and program. The Chief Inspector*  
29 *General shall consider organizing the sunset schedule by category,*  
30 *policy area, function, or other applicable criteria in order to*  
31 *promote an efficient review process pursuant to Section 8466.*

32 *(b) A review shall occur at least once every 12 years, in the*  
33 *manner prescribed by this chapter, for each agency, department,*  
34 *and program that is identified in a statute adopted by the*  
35 *Legislature, pursuant to this section, that establishes a timeline*  
36 *schedule for the sunset of that agency, department, and program.*  
37 *The first review shall be completed within two years of the*  
38 *enactment of the initial timeline schedule for the sunset of each*  
39 *state agency, department, and program.*

1 (c) (1) Any new agency, department, or program created by  
2 the Legislature after the Legislature adopts a sunset timeline  
3 schedule shall include a sunset provision that is consistent with  
4 other agencies, departments, and programs.

5 (2) If a new agency, department, or program is created, the new  
6 agency, department, or program shall also be reviewed after the  
7 fifth year.

8 (3) If a new agency, department, or program, prior to its initial  
9 sunset review, exceeds its estimated costs by more than 10 percent  
10 in a year, it shall be reviewed in the following year.

11 8466. (a) After the Legislature adopts a sunset timeline  
12 schedule, the Chief Inspector General shall coordinate with other  
13 state auditing entities to review each agency, department, and  
14 program. All state agencies, departments, and programs shall  
15 cooperate with the Office of the Chief Inspector General and  
16 provide access to its records, including, but not limited to, any  
17 information, suggestions, estimates, data, and statistics relating  
18 to the agency, department, or program that it may have available.

19 (b) In making the determinations and recommendations  
20 contained in the report prepared pursuant to subdivision (c), the  
21 Chief Inspector General shall identify and consider all of the  
22 following criteria:

23 (1) The consistency of the efficient performance of essential  
24 services, activities, and functions with which the agency,  
25 department, or program operates.

26 (2) An identification of the mission, goals, and objectives  
27 intended for the agency, department, or program and the problem  
28 or need that the agency, department, or program was intended to  
29 address.

30 (3) The extent to which the mission, goals, and objectives have  
31 been achieved and the problem or need for its function has been  
32 addressed.

33 (4) An identification of any activities of the agency, department,  
34 or program, in addition to those authorized by statute, the authority  
35 for those activities, and the extent to which those activities are  
36 necessary.

37 (5) Whether a function of the agency, department, or program  
38 is currently being provided by another entity, including, but not  
39 limited to, a local government, nonprofit, or private entity.

1     (6) *Whether alternative methods of performing a function of the*  
2 *agency, department, or program could more adequately provide*  
3 *service to the public.*

4     (7) *The extent to which the jurisdiction of the agency or*  
5 *department and the programs administered by the agency or*  
6 *department overlap or duplicate those of other agencies or*  
7 *departments, and the extent to which the programs administered*  
8 *by the agency or department can be consolidated with the programs*  
9 *of other state agencies or departments.*

10    (8) *The promptness and effectiveness with which the agency,*  
11 *department, or program addresses the complaints concerning*  
12 *entities or other persons affected by the agency, department, or*  
13 *program, including an assessment of the agency, department, or*  
14 *program’s administrative hearing process.*

15    (9) *An assessment of the agency, department, or program’s*  
16 *rulemaking process, the extent to which the agency or department*  
17 *has encouraged participation by the public in making rules and*  
18 *decisions, and the extent to which the public participation has*  
19 *resulted in rules that benefit the public.*

20    (10) *Whether administrative and statutory changes are*  
21 *necessary to improve agency, department, or program operations*  
22 *to enhance the public interest.*

23    (11) *The effect of federal intervention or loss of federal funds*  
24 *if the agency, department, or program is abolished.*

25    (c) *As part of the review process, the Chief Inspector General*  
26 *shall publish a report recommending statutory changes and*  
27 *internal operation improvements for the agencies, departments,*  
28 *and programs under review. The report shall include, but not be*  
29 *limited to, all of the following:*

30     (1) *The findings and determinations regarding the review*  
31 *criteria.*

32     (2) *Recommendations to abolish, continue, or reorganize each*  
33 *agency, department, and program under review.*

34     (3) *Recommendations to consolidate, transfer, or reorganize a*  
35 *program that is not under review if it duplicates functions of an*  
36 *agency, department, or program that is under review.*

37     (4) *Recommendations, including regulations that do not require*  
38 *a change in statute, to improve the operations of an agency,*  
39 *department, or program that is under review. If the Chief Inspector*  
40 *General recommends improvements, the Bureau of State Audits*

1 shall conduct a followup audit of the agency, department, or  
2 program to determine if the recommendations have been  
3 implemented.

4 (5) The estimated fiscal impact of the recommendations.

5 (d) The Chief Inspector General shall submit a copy of the report  
6 published pursuant to this section to the Milton Marks “Little  
7 Hoover” Commission on California State Government  
8 Organization and Economy. The commission shall conduct a public  
9 hearing to review the report, and shall either approve, modify, or  
10 reject the report’s findings. The commission shall submit its  
11 recommendations, along with the Chief Inspector General’s report,  
12 to the Legislature, so that the recommendations and the report  
13 may be considered by the Legislature in the form of a bill.

14 (e) The Legislature shall consider the bill proposed by the  
15 commission pursuant to this section without modification.

16 8467. If an agency, department, or program is abolished  
17 pursuant to this chapter, all of the following shall apply:

18 (a) All appropriations to the agency, department, or program  
19 shall lapse, and remaining funds dedicated to the agency,  
20 department, or program shall revert to the General Fund.

21 (b) All remaining contractual obligations, including bonded  
22 indebtedness, of an abolished agency or department shall remain  
23 valid and enforceable. The Governor shall designate an agency  
24 or department to administer payments and fulfill contracts until  
25 all obligations are satisfied.

26 (c) Property and records of the abolished agency, department,  
27 or program shall be transferred to an agency, department, or  
28 program as designated by the Governor.

29 8468. During each legislative session, the Chief Inspector  
30 General shall monitor legislation affecting an agency, department,  
31 or program that has been reviewed pursuant to the sunset timeline  
32 schedule, and periodically report to the Legislature when proposed  
33 changes would modify previous recommendations adopted by the  
34 Legislature pursuant to Section 8466. The Chief Inspector General  
35 shall also review any bill the Legislature introduces that would  
36 create a new state agency, department, or program.

37 ~~SECTION 1. Section 8504 of the Government Code is amended~~  
38 ~~to read:~~

39 ~~8504. For purposes of this chapter, the Members of the~~  
40 ~~Legislature serving as members of the commission shall be~~

1 considered a joint committee of the two houses of the Legislature  
2 constituted and acting as an investigating committee, and shall  
3 have the powers and duties imposed on these joint committees by  
4 the Joint Rules of the Senate and Assembly.

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