

AMENDED IN ASSEMBLY APRIL 16, 2012

AMENDED IN ASSEMBLY MARCH 28, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2213**

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**Introduced by Assembly Member Donnelly**

February 24, 2012

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An act to amend Section 9148.8 of, to add Chapter 8.2 (commencing with Section 11820) to Part 1 of Division 3 of Title 2 of, and to repeal Article 7.5 (commencing with Section 9147.7) and Article 8.5 (commencing with Section 9148.50) of Chapter 1.5 of Part 1 of Division 2 of Title 2 of, the Government Code, relating to government reorganization, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2213, as amended, Donnelly. 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 creates a Bureau of State Audits and requires it to conduct audits of state and local government agencies, as specified. The activities of the Bureau

~~of State Audits are funded by the State Audit Fund, which is continuously appropriated for these purposes:~~

~~This bill would establish the Bureaucracy Realignment and Closure Commission in state government with a specified membership. Beginning on January 1, 2014, the Controller, the Director of Finance, the Legislative Analyst, and 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, as specified. By requiring money in the State Audit Fund to be spent for a new purpose, this bill would make an appropriation. The commission, not later than July 15, 2015, would be required 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.~~

~~The bill would also require the commission to independently evaluate the recommendations, conduct 3 public hearings, and, by January 1, 2015, to have at least one member of the commission visit each state bureaucracy considered for realignment or closure. The bill 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 statutory provisions that apply to the Governor’s reorganization plans.~~

~~The bill would appropriate \$250,000 from the General Fund to the commission to defray costs incurred during its first year of operation, thereby making an appropriation.~~

~~Existing law establishes the Joint Sunset Review Committee to identify and eliminate waste, duplication, and inefficiency in government agencies and to conduct a comprehensive analysis of every eligible agency, as defined, that is scheduled for repeal to determine if the agency is still necessary and cost effective. Existing law also requires the committee to assist in the evaluation of legislation creating new state boards or new categories of licensed professionals.~~

~~This bill would eliminate the Joint Sunset Review Committee and make conforming changes to related provisions:~~

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

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

1     ~~SECTION 1. Article 7.5 (commencing with Section 9147.7)~~  
2 ~~of Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government~~  
3 ~~Code is repealed.~~

4     ~~SEC. 2. Section 9148.8 of the Government Code is amended~~  
5 ~~to read:~~

6     ~~9148.8. The appropriate policy committee of the Legislature~~  
7 ~~may evaluate a plan prepared pursuant to Section 9148.4 or 9148.6.~~

8     ~~SEC. 3. Article 8.5 (commencing with Section 9148.50) of~~  
9 ~~Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government~~  
10 ~~Code is repealed.~~

11     ~~SEC. 4.~~

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

15

16

CHAPTER 8.2.

17

BUREAUCRACY REALIGNMENT AND CLOSURE ACT OF 2013

18

19     11820. It is the intent of the Legislature that this chapter ensure  
20 that a timely, independent, and fair process for realigning or closing  
21 outdated or ineffective and inefficient governmental agencies,  
22 bureaucracies, boards, and commissions is initiated.

23     11821. This chapter shall be known, and may be cited, as the  
24 Bureaucracy Realignment and Closure Act of 2013.

25     11822. (a) "Commission" means the Bureaucracy Realignment  
26 and Closure Commission established pursuant to Section 11823.

27     (b) "Management experience" means a person who possesses  
28 a master of arts degree, an equivalent degree or equivalent business  
29 experience, or a more advanced degree in the field of business  
30 management or public administration.

31     (c) "State bureaucracy" means every state agency, office, officer,  
32 department, division, bureau, board, or commission.  
33 Notwithstanding subdivision (a) of Section 11000, "state  
34 bureaucracy" and "state agency" include the California State  
35 University.

36     11823. (a) The Bureaucracy Realignment and Closure  
37 Commission is hereby established in state government. By April

1 1, 2014, the Governor shall appoint the members of the  
2 commission, as follows:  
3 (1) One member who shall be appointed upon consultation with  
4 the Speaker of the Assembly.  
5 (2) One member who shall be appointed upon consultation with  
6 the minority leader of the Assembly.  
7 (3) One member who shall be appointed upon consultation with  
8 the President pro Tempore of the Senate.  
9 (4) One member who shall be appointed upon consultation with  
10 the minority leader of the Senate.  
11 (5) Three members, at the Governor’s discretion, subject to  
12 confirmation by the Senate.  
13 (b) The appointments to be made pursuant to paragraphs (1) to  
14 (4), inclusive, shall be made by the Governor, at his or her  
15 discretion, with advice from the legislative leader specified in each  
16 paragraph.  
17 (c) Each member of the commission shall have had management  
18 experience prior to his or her appointment to the commission.  
19 (d) The Governor shall designate one of the members to be  
20 chairperson of the commission.  
21 (e) Each member of the commission shall be a United States  
22 citizen and a resident of this state.  
23 (f) The commission may employ, pursuant to laws and  
24 regulations governing state civil service, an executive secretary  
25 and any clerical, professional, and technical assistants as may  
26 appear necessary.  
27 11824. (a) None of the members appointed to the commission  
28 shall have had a paid position with a federal, local, or state  
29 governmental agency within five years prior to the date of his or  
30 her appointment.  
31 (b) No member appointed to the commission shall be any of the  
32 following:  
33 (1) A party to an ongoing contract with a federal, local, or state  
34 governmental agency.  
35 (2) Employed by an entity that is a party to an ongoing contract  
36 with a federal, local, or state governmental agency.  
37 (3) Employed by a federal, local, or state governmental agency.  
38 (4) A person who, at the time of his or her appointment or during  
39 his or her term of service, qualifies as a lobbyist, as specified in  
40 Section 82039.

1 11825. Each member of the commission shall be appointed for  
2 a term of two years and may be reappointed for a second term of  
3 two years. A person may not serve more than four years total time  
4 on the commission.

5 11826. Each member of the commission shall serve without  
6 compensation, but shall receive the daily equivalent of the average  
7 salary paid to deputy directors of agencies listed in Section 11550  
8 for each day while on official business of the commission. The  
9 chairperson of the commission shall also serve without  
10 compensation, but shall receive the daily equivalent of the salary  
11 received by an agency head pursuant to Section 11550 for each  
12 day while on official business of the commission. In addition, each  
13 member shall also be entitled to receive necessary expenses actually  
14 incurred in the performance of his or her duties.

15 11827. The commission shall do all of the following:

16 (a) Examine state bureaucracies in this state primarily to  
17 determine if the jurisdictions of various state bureaucracies overlap,  
18 or if a state bureaucracy's mission has become obsolete.

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

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

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

27 11828. The commission may do any of the following:

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

29 (b) Issue subpoenas to compel the attendance of witnesses and  
30 the production of books, records, papers, accounts, reports, and  
31 documents.

32 (c) Administer oaths.

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

36 11829. Beginning on January 1, 2014, the Controller, the  
37 Director of Finance, the Legislative Analyst, *and* the Milton Marks  
38 "Little Hoover" Commission on California State Government  
39 Organization and Economy, ~~and the State Auditor~~ shall develop  
40 recommendations for the closure or realignment of state

1 bureaucracies for consideration by the commission. These  
2 recommendations shall be reported to the commission by July 15,  
3 2014.

4 11830. Upon receiving the recommendations reported under  
5 Section 11829, the commission shall independently evaluate these  
6 reports. In addition, the commission may add other state  
7 bureaucracies to study for realignment or closure, which may  
8 include proposals submitted by residents outside of state  
9 government.

10 11831. (a) (1) By January 1, 2015, at least one member of  
11 the commission shall have visited each state bureaucracy  
12 considered for realignment or closure. In addition, as part of its  
13 review process, the commission shall conduct three public hearings  
14 in the state with the final hearing occurring on or before March  
15 15, 2015, at Sacramento. The final hearing shall include testimony  
16 from the Legislature, other expert witnesses, and the agencies  
17 specified in Section 11829.

18 (2) *The commission shall also take into consideration reports*  
19 *and analysis of the Joint Sunset Review Committee, prior to*  
20 *submitting its final recommendations pursuant to subdivision (b).*

21 (b) Upon completion of its evaluation and not later than July  
22 15, 2015, the commission shall submit its final recommendations  
23 to the Governor and the Legislature and transmit a copy of these  
24 recommendations to the Director of Finance who shall prepare  
25 and issue a public report that displays the forecasted savings in  
26 state expenditures that would result from these recommendations.

27 (c) By August 15, 2015, the Governor shall act on the  
28 commission's recommendations. The Governor may approve the  
29 recommendations or return the recommendations to the commission  
30 for revision. If the Governor returns the recommendations, the  
31 commission shall have one month to revise and transmit to the  
32 Governor and the Director of Finance an updated list. The  
33 commission is not required to incorporate recommendations of the  
34 Governor in its list. The director shall prepare a revised public  
35 forecast from this list. If the Governor rejects the revised list, that  
36 action shall end the realignment and closure process for the year  
37 without action. However, the commission may submit a revised  
38 list in the following year after consideration and at least one public  
39 hearing.

1 11832. (a) If the Governor approves the list as submitted by  
2 the commission pursuant to subdivision (c) of Section 11831, the  
3 Governor shall prepare the list, without alteration or amendment,  
4 as a reorganization plan and submit the plan to the Legislature  
5 pursuant to Article 7.5 (commencing with Section 12080) of  
6 Chapter 1 of Part 2. Upon being transmitted to the Legislature, the  
7 plan shall be considered and subject to all applicable provisions  
8 in that article. To that end, it is the intent of the Legislature that  
9 this chapter be deemed a part of the statutory authority for the  
10 Governor to reorganize executive officers and agencies, as specified  
11 in Section 6 of Article V of the California Constitution.

12 (b) The plan shall become effective the first day after 60  
13 calendar days of continuous session of the Legislature after the  
14 date on which the plan is transmitted to each house or at a later  
15 date as may be provided by the plan, unless, prior to the end of the  
16 60-calendar-day period, both houses of the Legislature adopt, by  
17 a majority vote of the duly elected and qualified members thereof,  
18 a resolution as specified in subdivision (c) of Section 12080.

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

23 11833. Upon the reorganization plan becoming effective, the  
24 Director of Finance shall compute the savings in state governmental  
25 expenses that are forecast to occur due to the closure or realignment  
26 of the state bureaucracies included in the plan and transmit this  
27 information to the Governor and the Legislature. It is the intent of  
28 the Legislature that these savings be reflected in reduced taxation  
29 or state expenditures, subject to any existing constitutional  
30 restrictions.

31 ~~SEC. 5.~~

32 *SEC. 2.* (a) The sum of two hundred fifty thousand dollars  
33 (\$250,000) is hereby appropriated from the General Fund to the  
34 Bureaucracy Realignment and Closure Commission created  
35 pursuant to Chapter 8.2 (commencing with Section 11820) of Part  
36 1 of Division 3 of Title 2 of the Government Code, in order to  
37 defray costs incurred by the commission during the first year of  
38 operation.

- 1 (b) The Bureaucracy Realignment and Closure Commission
- 2 may not expend more than five hundred thousand dollars
- 3 (\$500,000) in carrying out its duties.

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