

ASSEMBLY BILL

No. 2213

Introduced by Assembly Member Donnelly

February 24, 2012

An act to add Chapter 8.2 (commencing with Section 11820) to 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

AB 2213, as introduced, 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, 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. 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.

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

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. 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.

6 BUREAUCRACY REALIGNMENT AND CLOSURE ACT OF 2013
7

8 11820. It is the intent of the Legislature that this chapter ensure
9 that a timely, independent, and fair process for realigning or closing
10 outdated or ineffective and inefficient governmental agencies,
11 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 2013.

14 11822. (a) "Commission" means the Bureaucracy Realignment
15 and Closure Commission established pursuant to Section 11823.

16 (b) "Management experience" means a person who possesses
17 a master of arts degree, an equivalent degree or equivalent business

1 experience, or a more advanced degree in the field of business
2 management or public administration.

3 (c) “State bureaucracy” means every state agency, office, officer,
4 department, division, bureau, board, or commission.
5 Notwithstanding subdivision (a) of Section 11000, “state
6 bureaucracy” and “state agency” include the California State
7 University.

8 11823. (a) The Bureaucracy Realignment and Closure
9 Commission is hereby established in state government. By April
10 1, 2014, the Governor shall appoint the members of the
11 commission, as follows:

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

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

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

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

20 (5) Four members, at the Governor’s discretion, subject to
21 confirmation by the Senate.

22 (b) The appointments to be made pursuant to paragraphs (1) to
23 (4), inclusive, shall be made by the Governor, at his or her
24 discretion, with advice from the legislative leader specified in each
25 paragraph.

26 (c) Each member of the commission shall have had management
27 experience prior to his or her appointment to the commission.

28 (d) The Governor shall designate one of the members to be
29 chairperson of the commission.

30 (e) Each member of the commission shall be a United States
31 citizen and a resident of this state.

32 (f) The commission may employ, pursuant to laws and
33 regulations governing state civil service, an executive secretary
34 and any clerical, professional, and technical assistants as may
35 appear necessary.

36 11824. (a) None of the members appointed to the commission
37 shall have had a paid position with a federal, local, or state
38 governmental agency within five years prior to the date of his or
39 her appointment.

(b) No member appointed to the commission shall be any of the following:

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

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

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

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

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

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

11827. The commission shall do all of the following:

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

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

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

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

11828. The commission may do any of the following:

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

1 (b) Issue subpoenas to compel the attendance of witnesses and
2 the production of books, records, papers, accounts, reports, and
3 documents.

4 (c) Administer oaths.

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

8 11829. Beginning on January 1, 2014, the Controller, the
9 Director of Finance, the Legislative Analyst, the Milton Marks
10 “Little Hoover” Commission on California State Government
11 Organization and Economy, and the State Auditor shall develop
12 recommendations for the closure or realignment of state
13 bureaucracies for consideration by the commission. These
14 recommendations shall be reported to the commission by July 15,
15 2014.

16 11830. Upon receiving the recommendations reported under
17 Section 11829, the commission shall independently evaluate these
18 reports. In addition, the commission may add other state
19 bureaucracies to study for realignment or closure, which may
20 include proposals submitted by residents outside of state
21 government.

22 11831. (a) By January 1, 2015, at least one member of the
23 commission shall have visited each state bureaucracy considered
24 for realignment or closure. In addition, as part of its review process,
25 the commission shall conduct three public hearings in the state
26 with the final hearing occurring on or before March 15, 2015, at
27 Sacramento. The final hearing shall include testimony from the
28 Legislature, other expert witnesses, and the agencies specified in
29 Section 11829.

30 (b) Upon completion of its evaluation and not later than July
31 15, 2015, the commission shall submit its final recommendations
32 to the Governor and the Legislature and transmit a copy of these
33 recommendations to the Director of Finance who shall prepare
34 and issue a public report that displays the forecasted savings in
35 state expenditures that would result from these recommendations.

36 (c) By August 15, 2015, the Governor shall act on the
37 commission’s recommendations. The Governor may approve the
38 recommendations or return the recommendations to the commission
39 for revision. If the Governor returns the recommendations, the
40 commission has one month to revise and transmit to the Governor

1 and the Director of Finance an updated list. The commission is
2 not required to incorporate recommendations of the Governor in
3 its list. The director shall prepare a revised public forecast from
4 this list. If the Governor rejects the revised list, that action ends
5 the realignment and closure process for the year without action.
6 However, the commission may submit a revised list in the
7 following year after consideration and at least one public hearing.

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

19 (b) The plan shall become effective the first day after 60
20 calendar days of continuous session of the Legislature after the
21 date on which the plan is transmitted to each house or at a later
22 date as may be provided by the plan, unless, prior to the end of the
23 60-calendar-day period, both houses of the Legislature adopt, by
24 a majority vote of the duly elected and qualified members thereof,
25 a resolution as specified in subdivision (c) of Section 12080.

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

30 11833. Upon the reorganization plan becoming effective, the
31 Director of Finance shall compute the savings in state governmental
32 expenses that are forecast to occur due to the closure or realignment
33 of the state bureaucracies included in the plan and transmit this
34 information to the Governor and the Legislature. It is the intent of
35 the Legislature that these savings be reflected in reduced taxation
36 or state expenditures, subject to any existing constitutional
37 restrictions.

38 SEC. 2. (a) The sum of two hundred fifty thousand dollars
39 (\$250,000) is hereby appropriated from the General Fund to the
40 Bureaucracy Realignment and Closure Commission created

1 pursuant to Chapter 8.2 (commencing with Section 11820) of Part
2 1 of Division 3 of Title 2 of the Government Code, in order to
3 defray costs incurred by the commission during the first year of
4 operation.

5 (b) The Bureaucracy Realignment and Closure Commission
6 may not expend more than five hundred thousand dollars
7 (\$500,000) in carrying out its duties.

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