

Senate Bill No. 1359

CHAPTER 682

An act to amend Sections 8501, 8521.5, 8543, 8544.5, 9141, and 66621 of the Government Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 8, 1995. Filed with Secretary of State October 10, 1995.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1359, Committee on Rules. State government.

(1) Existing law establishes the Milton Marks Commission on California State Government Organization and Economy in state government with a specified membership and duties.

This bill would rename the commission the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy.

(2) Existing law establishes the Joint Legislative Budget Committee consisting of 7 Members of the Senate and 7 Members of the Assembly.

This bill would increase the membership to 8 Members of the Senate and 8 Members of the Assembly.

(3) Existing law establishes the San Francisco Bay Conservation and Development Commission with 27 members and requires one Member of the Senate and one Member of the Assembly to meet with, and participate in the activities of, the commission. Existing law requires alternate members of the commission to have the same qualifications as are required for the member appointing the alternate.

This bill would authorize the Member of the Senate and the Member of the Assembly to appoint any person as an alternate for the member whom the member deems qualified.

(4) The bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 8501 of the Government Code is amended to read:

8501. There is in the state government the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, hereafter in this chapter referred to as the "commission." The commission shall be composed of thirteen members as follows:

(a) Nine members of the public, appointed for terms of four years pursuant to this section. Not more than five of these members shall be registered as members of the same political party, and none shall hold public office in the executive branch of the state government.

Any public member who is absent for three consecutive regular meetings of the commission may be removed by the appointing authority unless the member is excused from those meetings by the chairperson of the commission. In the event of removal, or upon the resignation or death of the member, the respective appointing authority shall designate another person to fill the balance of the unexpired term.

(b) Five members shall be appointed by the Governor. However, the terms of these members shall be staggered so that the terms of three members shall commence on January 1, 1978, and the terms of two members shall commence on January 1, 1980. To achieve the staggering of terms, the Governor shall designate the terms of the present members of the commission who have been appointed by the Governor.

(c) Two members of the public shall be appointed by the Senate Committee on Rules. However, the terms of these members shall be staggered so that the term of one member commences on January 1, 1979, and the term of the other member commences January 1, 1981. To achieve the staggering of terms, the Senate Committee on Rules shall designate the terms of the present members of the commission who have been appointed by the Senate Committee on Rules.

(d) Two members of the public shall be appointed by the Speaker of the Assembly. However, the terms of these members shall be staggered so that the term of one member commences January 1, 1979, and the term of the other member commences January 1, 1981. To achieve the staggering of terms, the Speaker of the Assembly shall designate the terms of the present members of the commission who have been appointed by the Speaker of the Assembly.

(e) Two Members of the Senate appointed by the Senate Committee on Rules. These members shall serve at the pleasure of the appointing authority but shall not be registered with the same political party. If a member, while serving on the commission, registers with the same political party as the other member, the Senate Committee on Rules shall replace one of the members with a new member who is not registered with the same political party as the remaining member.

(f) Two Members of the Assembly appointed by the Speaker of the Assembly. These members shall serve at the pleasure of the appointing authority but shall not be registered with the same political party. If a member, while serving on the commission, registers with the same political party as the other member, the Speaker of the Assembly shall replace one of the members with a new



member who is not registered with the same political party as the remaining member.

SEC. 2. Section 8521.5 of the Government Code is amended to read:

8521.5. The Legislature finds that our system of government is a complex structure of interlocking relationships among all levels of government for managing public funds and programs. Officials and employees who manage and administer these programs must be accountable for their activities to the public. The Legislature recognizes that governmental audits are an important cornerstone in the system of accountability expected by the people of California. One of the most important aspects of public accountability is whether the use of state funds and resources complies with the Legislature's statutory mandates.

Under the direction of the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, the State Auditor shall meet the needs of state government for periodic audits of organizations, programs, and services. The State Auditor shall conduct an independent audit for use by the executive and legislative branches of state government to promote sound fiscal and administrative policy for the government of the state, fulfill the condition for the receipt of billions of dollars in federal grant funds, and provide an independent financial audit report that is relied upon by underwriters, bond-rating companies, and potential investors.

SEC. 3. Section 8543 of the Government Code is amended to read:

8543. There is hereby created in state government the Bureau of State Audits under the direction of the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy. In order to be free of organizational impairments to independence, the bureau shall be independent of the executive branch and legislative control.

SEC. 4. Section 8544.5 of the Government Code is amended to read:

8544.5. (a) There is hereby established in the State Treasury the State Audit Fund. Notwithstanding Section 13340, the State Audit Fund is continuously appropriated for the expenses of the State Auditor. There shall be appropriated annually in the Budget Act to the State Audit Fund, from the General Fund, the amount necessary to reimburse the State Audit Fund for the cost of audits to be performed that are not directly reimbursed under subdivision (c). "Cost of audits" means all direct and indirect costs of conducting the audits and any other related expenses incurred by the State Auditor in fulfilling his or her statutory responsibilities.

(b) Upon certification by the State Auditor of estimated costs on a monthly basis, the Controller shall transfer the amount thus certified from the General Fund to the State Audit Fund. The



Controller shall thereafter issue warrants drawn against the State Audit Fund upon receipt of claims certified by the State Auditor.

(c) To ensure appropriate reimbursement from federal and special funds for the costs of the duties performed pursuant to Section 8546.3, the State Auditor may directly bill state agencies for the costs incurred, subject to the approval of the Director of Finance.

(d) As of May 7, 1993, all unallocated funds in the Auditor General Fund pursuant to former Section 10507 shall be available for transfer to the State Audit Fund pursuant to subdivision (b). The amount of funds provided in Item 8855-011-001 of Chapter 587 of the Statutes of 1992 (Budget Act of 1992) shall be available for transfer to the State Audit Fund pursuant to subdivision (b) without regard to Provision 1 of that item.

(e) To ensure adequate oversight of the operations of the bureau, the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy shall annually obtain the services of an independent public accountant to audit the State Audit Fund and the operation of the bureau to assure compliance with state law, including Section 8546. The results of this audit shall be submitted to the commission and shall be a public record.

(f) In order to ensure that audits of the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy are conducted in conformity with government auditing standards, any audit of the commission that is required or permitted by law shall be conducted by the independent public accountant selected pursuant to subdivision (e).

SEC. 5. Section 9141 of the Government Code is amended to read:

9141. The committee shall consist of eight Members of the Senate and eight Members of the Assembly who shall be selected in the manner provided for in the Joint Rules of the Senate and Assembly. The committee shall elect its own chairperson. Vacancies occurring in the membership of the committee shall be filled in the manner provided for in the Joint Rules of the Senate and Assembly. A vacancy shall be deemed to exist as to any member of the committee whose term is expiring whenever the member is not reelected at the general election.

SEC. 6. Section 66621 of the Government Code is amended to read:

66621. (a) One Member of the Senate, appointed by the Senate Rules Committee, and one Member of the Assembly, appointed by the Speaker of the Assembly, shall meet with, and participate in the activities of, the commission to the extent that the participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this title, the Members of the Legislature, or their alternates if the alternates are Members of the Legislature, shall constitute a joint interim investigating committee



on the subject of this title, and as such shall have the powers and duties imposed upon those committees by the Joint Rules of the Senate and Assembly.

(b) The Member of the Senate and the Member of the Assembly may appoint any person as an alternate for the member whom the member deems qualified.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to increase the membership of the Joint Legislative Budget Committee, provide an efficient method of choosing alternates to the San Francisco Bay Conservation and Development Commission, and rename the Milton Marks Commission on California State Government Organization and Economy, as soon as possible, it is necessary that this act take effect immediately.

