



# *Implementation of State Auditor's Recommendations*

## **Special Report to Assembly Budget Subcommittees**

Reports Released From January 2017  
Through December 2018

*February 2019*

**REPORT 2019-406 A**





**CALIFORNIA STATE AUDITOR**

621 Capitol Mall, Suite 1200 | Sacramento | CA | 95814



**916.445.0255** | TTY 916.445.0033



For complaints of state employee misconduct,  
contact us through the **Whistleblower Hotline:**

**1.800.952.5665**

Don't want to miss any of our reports? Subscribe to our email list at [auditor.ca.gov](https://auditor.ca.gov) 

For questions regarding the contents of this report, please contact Paul Navarro, Chief Deputy State Auditor-Operations, at 916.445.0255

This report is also available online at [www.auditor.ca.gov](http://www.auditor.ca.gov) | Alternate format reports available upon request | Permission is granted to reproduce reports



February 12, 2019  
*2019-406 A*

Dear Members of the Assembly Budget Committee:

The California State Auditor (State Auditor) presents this special report which summarizes for the legislative budget subcommittees the audit and investigation reports we issued from January 2017 through December 2018. The purpose of this report is to assist the Assembly Budget Committee in identifying issues it may want to explore in subcommittee hearings. It is intended to provide transparency in what actions, if any, audited and investigated entities have taken in response to our specific findings and recommendations. This report includes the status of actions taken to implement our recommendations as reported to us by the audited and investigated entities and evaluated by our office as of December 31, 2018. To better assist you, we have highlighted those recommendations that remain not fully implemented.

Our policy is to request that entities provide a written response to the audit findings and recommendations before the audit report is issued publicly. As a follow up, state law requires entities to provide updates on their implementation of audit recommendations, and we request these updates 60 days, six months, and one year after the report's public release. For investigations, state law requires that entities report within 60 days of receiving an investigative report and monthly thereafter until it has completed all of the actions they intend to take in response to the recommendations. Further, we follow up with every entity that we determine has not fully implemented one or more recommendation within one year of the issuance of an audit or investigative report and request an update on the entity's plans to implement the outstanding recommendations.

This report is organized by recommendations that fall within the jurisdiction of each of the individual Assembly Budget Subcommittees. For example, the section for Assembly Subcommittee 1 on Health and Human Services identifies report recommendations our office made on issues ranging from the Mental Health Services Act funding to questionable Medi-Cal payments made by the Department of Health Care Services. The section for Assembly Subcommittee 3 on Resources and Transportation identifies report recommendations on issues ranging from cost overruns by the California High-Speed Rail Authority to oversight of the Toll Bridge Seismic Retrofit Program.

Please note that some reports may involve more than one issue or cross the jurisdictions of more than one subcommittee. In Table 1, we provide the report title, recommendations, and action taken by the entity. A more detailed description of the State Auditor's assessment of the entity's actions can be accessed on our website at [www.auditor.ca.gov](http://www.auditor.ca.gov) under the "Publications" tab.

*continued on next page...*

Our audit efforts bring the greatest return when entities act upon our findings and recommendations. Table 2 summarizes the monetary value associated with certain findings from reports we issued during the period January 1, 2011, through December 31, 2018. We have indicated the nature of the monetary value in the following categories: cost recovery, cost savings, cost avoidance, increased revenue, and wasted funds. We estimate that if entities implemented our recommendations contained in these reports, the State of California could realize more than \$3.5 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending.

For example, in our October 2018 audit of the Department of Health Care Services' eligibility system for the California Medical Assistance Program (Medi-Cal), we found that the department had paid billions in questionable Medi-Cal premiums and claims because it failed to follow up on eligibility discrepancies between the State's eligibility system and the counties' eligibility systems. To recover inappropriately spent funds, prevent future erroneous payments, and ensure eligible individuals' access to care, we recommended that the department resolve the discrepancies we identified and recover erroneous payments where allowable. We estimate that the department could avoid paying \$1.7 billion per year if it resolved the discrepancies.

We believe the State's budget process is a good opportunity for the Legislature to explore these issues in a public forum and, to the extent necessary, reinforce the need for corrective action. If you would like more information or assistance regarding this report, please contact Paul Navarro, Chief Deputy State Auditor–Operations, at (916) 445-0255.

Respectfully submitted,

A handwritten signature in black ink that reads "Elaine M. Howle". The signature is written in a cursive, flowing style.

ELAINE M. HOWLE, CPA  
California State Auditor

# Contents

## TABLE 1

<b><i>Recommendation Status Summary</i></b>	1
---	---

## Subcommittee 1 on Health and Human Services

<b><i>Report Number I2017-1</i></b>   Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments ( <i>March 2017</i> )	1
--	---

<b><i>Report Number 2016-126</i></b>   California Department of Social Services: Its Caregiver Background Check Bureau Lacks Criminal History Information It Needs to Protect Vulnerable Populations in Licensed Care Facilities ( <i>March 2017</i> )	2
--	---

<b><i>Report Number 2016-128</i></b>   In Home Supportive Services: The State Could Do More to Help Providers Avoid Future Payment Delays ( <i>March 2017</i> )	4
---	---

<b><i>Report Number I2017-2</i></b>   Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources ( <i>October 2017</i> )	6
--	---

<b><i>Report Number 2017-117</i></b>   Mental Health Services Act: The State Could Better Ensure the Effective Use of Mental Health Services Act Funding ( <i>February 2018</i> )	6
---	---

<b><i>Report Number 2017-112</i></b>   Homelessness in California: State Government and the Los Angeles Homeless Services Authority Need to Strengthen Their Efforts to Address Homelessness ( <i>April 2018</i> )	7
--	---

<b><i>Report Number 2017-109</i></b>   Skilled Nursing Facilities: Absent Effective State Oversight, Substandard Quality of Care Has Continued ( <i>May 2018</i> )	9
--	---

<b><i>Report Number 2017-124</i></b>   San Diego County's Health and Human Services Agency: It Cannot Demonstrate That It Employs the Appropriate Number of Public Health Nurses to Efficiently Serve Its Residents ( <i>July 2018</i> )	10
--	----

<b><i>Report Number 2017-129</i></b>   Department of Rehabilitation: Its Inadequate Guidance and Oversight of the Grant Process Led to Inconsistencies and Perceived Bias in Its Evaluations and Awards of Some Grants ( <i>July 2018</i> )	11
---	----

<b><i>Report Number 2018-102</i></b>   Tulare Local Healthcare District: Past Poor Decisions Contributed to the Closure of the Medical Center, and Licensing Issues May Delay Its Reopening ( <i>October 2018</i> )	13
---	----

- Report Number 2018-603** | Department of Health Care Services:  
It Paid Billions in Questionable Medi-Cal Premiums and Claims Because It  
Failed to Follow Up on Eligibility Discrepancies (*October 2018*) 14
- Report Number 2018-116** | San Diego's Hepatitis A Outbreak:  
By Acting More Quickly, the County and City of San Diego Might Have  
Reduced the Spread of the Disease (*December 2018*) 14

## Subcommittee 2 on Education Finance

- Report Number 2016-109** | Uniform Complaint Procedures:  
The California Department of Education's Inadequate Oversight Has  
Led to a Lack of Uniformity and Compliance in the Processing of  
Complaints and Appeals (*January 2017*) 17
- Report Number 2016-114** | College Readiness of California's High  
School Students: The State Can Better Prepare Students for College by  
Adopting New Strategies and Increasing Oversight (*February 2017*) 20
- Report Number 12017-1** | Investigations of Improper Activities  
by State Agencies and Employees: Misuse of Resources, Inaccurate  
Attendance Records, Disclosure of Confidential Information, and  
Improper Payments (*March 2017*) 21
- Report Number 2016-117** | Alliance College-Ready Public Schools:  
The Nonprofit Did Not Spend Public Funds or Divert Classroom Resources  
in Response to Unionization Efforts (*April 2017*) 21
- Report Number 2016-122** | California State University: Stronger  
Oversight Is Needed for Hiring and Compensating Management  
Personnel and for Monitoring Campus Budgets (*April 2017*) 22
- Report Number 2016-130** | The University of California Office  
of the President: It Failed to Disclose Tens of Millions in Surplus Funds,  
and Its Budget Practices Are Misleading (*April 2017*) 23
- Report Number 2016-129** | K-12 High Speed Network:  
Improved Budgeting, Greater Transparency, and Increased Oversight  
Are Needed to Ensure That the Network Is Providing Reliable Services  
at the Lowest Cost to the State (*May 2017*) 27
- Report Number 2016-139** | California Department of Education:  
It Has Not Ensured That School Food Authorities Comply With the  
Federal Buy American Requirement (*July 2017*) 29

<b>Report Number 2016-125.1</b>   The University of California Office of the President: It Has Not Adequately Ensured Compliance With Its Employee Displacement and Services Contract Policies ( <i>August 2017</i> )	31
<b>Report Number 2016-125.2</b>   The University of California Office of the President: Increasing Costs and Scheduling Delays Have Hampered the UCPath Project and Originally Anticipated Savings Are Unlikely to Materialize ( <i>August 2017</i> )	33
<b>Report Number 2016-136</b>   School Violence Prevention: School Districts, County Offices of Education, and the State Must Do More to Ensure That School Safety Plans Help Protect Students and Staff During Emergencies ( <i>August 2017</i> )	34
<b>Report Number I2017-2</b>   Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources ( <i>October 2017</i> )	35
<b>Report Number 2016-141</b>   Charter Schools: Some School Districts Improperly Authorized and Inadequately Monitored Out of District Charter Schools ( <i>October 2017</i> )	35
<b>Report Number 2017-104</b>   Montebello Unified School District: County Superintendent Intervention Is Necessary to Address Its Weak Financial Management and Governance ( <i>November 2017</i> )	39
<b>Report Number 2017-102</b>   California Community Colleges: The Colleges Reviewed Are Not Adequately Monitoring Services for Technology Accessibility, and Districts and Colleges Should Formalize Procedures for Upgrading Technology ( <i>December 2017</i> )	41
<b>Report Number 2017-116</b>   Community Child Care Council of Santa Clara County: Because It Disadvantaged Some Families and Misused State Funds, It Could Benefit From Increased Monitoring by the California Department of Education ( <i>April 2018</i> )	44
<b>Report Number 2017-119</b>   California State University: It Has Not Provided Adequate Oversight of the Safety of Employees and Students Who Work With Hazardous Materials ( <i>April 2018</i> )	46
<b>Report Number 2017-032</b>   Clery Act Requirements and Crime Reporting: Compliance Continues to Challenge California's Colleges and Universities ( <i>May 2018</i> )	51
<b>Report Number 2017-131</b>   Hate Crimes in California: Law Enforcement Has Not Adequately Identified, Reported, or Responded to Hate Crimes ( <i>May 2018</i> )	54

<b>Report Number 2017-125</b>   The University of California: It Must Take Additional Steps to Address Long-Standing Issues With Its Response to Sexual Harassment Complaints ( <i>June 2018</i> )	54
<b>Report Number I2018-1</b>   Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property ( <i>July 2018</i> )	57

### Subcommittee 3 on Resources and Transportation

<b>Report Number I2017-1</b>   Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments ( <i>March 2017</i> )	59
<b>Report Number 2016-121</b>   Department of Motor Vehicles: Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Person Parking Placards ( <i>April 2017</i> )	59
<b>Report Number 2016-127</b>   Home-Generated Sharps and Pharmaceutical Waste: By Designating a Lead Agency, the State Could Increase Proper Disposal ( <i>May 2017</i> )	61
<b>Report Number 2016-132</b>   Department of Water Resources: The Unexpected Complexity of the California WaterFix Project Has Resulted in Significant Cost Increases and Delays ( <i>October 2017</i> )	62
<b>Report Number I2017-2</b>   Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources ( <i>October 2017</i> )	63
<b>Report Number 2017-113</b>   South Orange County Wastewater Authority: It Should Continue to Improve Its Accounting of Member Agencies' Funds and Determine Whether Members Are Responsible for Its Unfunded Liabilities ( <i>March 2018</i> )	63
<b>Report Number 2017-118</b>   State and Regional Water Boards: They Must Do More to Ensure That Local Jurisdictions' Costs to Reduce Storm Water Pollution Are Necessary and Appropriate ( <i>March 2018</i> )	64
<b>Report Number 2017-126</b>   Penalty Assessment Funds: California's Traffic Penalties and Fees Provide Inconsistent Funding for State and County Programs and Have a Significant Financial Impact on Drivers ( <i>April 2018</i> )	66

<b>Report Number I2018-1</b>   Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property ( <i>July 2018</i> )	66
<b>Report Number 2018-104</b>   Toll Bridge Seismic Retrofit Program: The State Could Save Millions of Dollars Annually by Implementing Lessons Learned ( <i>August 2018</i> )	67
<b>Report Number 2018-107</b>   California Department of Resources Recycling and Recovery: It Has Not Provided the Oversight Necessary to Ensure That the Mattress Recycling Program Fulfills Its Purpose ( <i>September 2018</i> )	67
<b>Report Number 2018-108</b>   California High-Speed Rail Authority: Its Flawed Decision Making and Poor Contract Management Have Contributed to Billions in Cost Overruns and Delays in the System's Construction ( <i>November 2018</i> )	68
<b>Report Number 2018-118</b>   California Public Utilities Commission: It Could Improve the Transparency of Water Rate Increases by Disclosing Its Review Process and Ensuring That Utilities Notify Customers as Required ( <i>December 2018</i> )	70

## Subcommittee 4 on State Administration

<b>Report Number I2017-1</b>   Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments ( <i>March 2017</i> )	73
<b>Report Number 2016-036</b>   Indian Gaming Special Distribution Fund: The Method Used to Mitigate Casino Impacts Has Changed, and Two Counties' Benefit Committees Did Not Ensure Compliance With State Law When Awarding Grants ( <i>March 2017</i> )	73
<b>Report Number 2016-128</b>   In Home Supportive Services: The State Could Do More to Help Providers Avoid Future Payment Delays ( <i>March 2017</i> )	74
<b>Report Number 2016-133</b>   SAFE-BIDCO: At Risk of Insolvency, It Needs Increased Oversight if It Is to Receive State Funding and Continue to Help Small Businesses in California Gain Financing ( <i>April 2017</i> )	74

<b>Report Number 2016-124</b>   Department of General Services and California Department of Technology: Neither Entity Has Provided the Oversight Necessary to Ensure That State Agencies Consistently Use the Competitive Bidding Process ( <i>June 2017</i> )	75
<b>Report Number 2017-107</b>   Santa Clara County Registrar of Voters: Insufficient Policies and Procedures Have Led to Errors That May Have Reduced Voters' Confidence in the Registrar's Office ( <i>October 2017</i> )	77
<b>Report Number 2017-106</b>   The Bradley Burns Tax and Local Transportation Funds: Changing the Allocation Structure for the Bradley Burns Tax Would Result in a More Equitable Distribution of Local Transportation Funding ( <i>November 2017</i> )	78
<b>Report Number 2017-103</b>   Workers' Compensation Insurance: The State Needs to Strengthen Its Efforts to Reduce Fraud ( <i>December 2017</i> )	79
<b>Report Number 2018-037</b>   California Department of Housing and Community Development: Its Oversight of Housing Bond Funds Remains Inconsistent ( <i>September 2018</i> )	80

## Subcommittee 5 on Public Safety

<b>Report Number 2017-1</b>   Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments ( <i>March 2017</i> )	83
<b>Report Number 2016-126</b>   California Department of Social Services: Its Caregiver Background Check Bureau Lacks Criminal History Information It Needs to Protect Vulnerable Populations in Licensed Care Facilities ( <i>March 2017</i> )	84
<b>Report Number 2017-030</b>   The State Bar of California: It Needs Additional Revisions to Its Expense Policies to Ensure That It Uses Funds Prudently ( <i>June 2017</i> )	85
<b>Report Number 2016-131</b>   California Department of Corrections and Rehabilitation: It Must Increase Its Efforts to Prevent and Respond to Inmate Suicides ( <i>August 2017</i> )	86
<b>Report Number 2016-136</b>   School Violence Prevention: School Districts, County Offices of Education, and the State Must Do More to Ensure That School Safety Plans Help Protect Students and Staff During Emergencies ( <i>August 2017</i> )	88

<b>Report Number I2017-2   Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)</b>	89
<b>Report Number 2017-101   Concealed Carry Weapon Licenses: Sheriffs Have Implemented Their Local Programs Inconsistently and Sometimes Inadequately (December 2017)</b>	89
<b>Report Number 2017-302   Judicial Council of California: It Needs to Follow Competitive Bidding Processes More Consistently and Establish Clear Guidance for Invoice Processing (December 2017)</b>	90
<b>Report Number 2017-131   Hate Crimes in California: Law Enforcement Has Not Adequately Identified, Reported, or Responded to Hate Crimes (May 2018)</b>	91
<b>Report Number I2018-1   Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property (July 2018)</b>	93
<b>Report Number 2018-106   Correctional Officer Health and Safety: Some State and County Correctional Facilities Could Better Protect Their Officers From the Health Risks of Certain Inmate Attacks (September 2018)</b>	94
<b>TABLE 2</b>	
<b>Monetary Values, January 1, 2011, Through December 31, 2018</b>	97
<b>APPENDIX</b>	
<b>Status of Recommendations at a Glance</b>	123

PAGE LEFT BLANK INTENTIONALLY

**Table 1**  
Recommendation Status Summary

## Assembly Budget Subcommittee 1 on Health and Human Services

*Report Number I2017-1*

*Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
8. The Department of State Hospitals (State Hospitals) should initiate immediate action, in accordance with Government Code section 19838, to collect the overpayment from the pharmacist.	Department of State Hospitals	Fully Implemented
9. State Hospitals should provide counseling or training to the pharmacist and pharmacy management regarding proper time and attendance procedures.	Department of State Hospitals	Fully Implemented
10. State Hospitals should provide counseling or training to the responsible personnel staff regarding proper procedures for processing the attendance records.	Department of State Hospitals	Fully Implemented
11. State Hospitals should review the pharmacist's time and attendance records from September 2015 to present to ensure she was not overpaid for any additional hours or had leave balances that were not reduced because of absences.	Department of State Hospitals	Fully Implemented
20. The Department of Health Care Services (Health Care Services) should take appropriate corrective or disciplinary action regarding the employee's misuse of state time, computer, and support staff, and for engaging in activities incompatible with her state duties.	Department of Health Care Services	Fully Implemented
21. Health Care Services should provide the employee with training related to appropriate Internet and email use, time and attendance, and ethics in the workplace.	Department of Health Care Services	Fully Implemented
22. Health Care Services should implement the action it proposed in its investigative report. Specifically, its Office of Civil Rights should conduct equal employment opportunity training and provide counseling for the division chief and the division's management team to ensure that they understand the equal employment opportunity concerns related to the do-not-hire list and that they use job-related and objective examination criteria when evaluating candidates in the future.	Department of Health Care Services	Fully Implemented
23. Health Care Services should implement the action it proposed in its investigative report. Specifically, its Office of Civil Rights should implement a series of management training sessions to ensure that Health Care Services management fully understand and adhere to its nondiscrimination policy to ensure equal employment opportunity for all candidates and employees.	Department of Health Care Services	Fully Implemented
25. The Department of Social Services (Social Services) should continue to monitor the supervisor's duties related to addressing the work performance of her subordinate employees and continue to take appropriate corrective or disciplinary action when necessary.	Department of Social Services	Fully Implemented
26. Social Services should require that the supervisor undergo supervisory training, specifically about managing employee performance and appropriately applying the steps of progressive discipline.	Department of Social Services	Fully Implemented

continued on next page...

**Report Number 2016-126****California Department of Social Services: Its Caregiver Background Check Bureau Lacks Criminal History Information It Needs to Protect Vulnerable Populations in Licensed Care Facilities (March 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
3. To ensure that all applicable entities share their administrative actions with each other as state law intends, the Legislature should amend state law to require that Social Services, the Department of Aging, the Department of Public Health (Public Health), Health Care Services, the Medical Services Authority, and county agencies provide each other their administrative action information.	Legislature	Legislation Vetoed
5. To ensure that it more effectively shares, receives, and uses administrative action information, Social Services should develop and maintain a centralized database containing its own administrative actions and those received from other state departments, in order to share this information among these departments as required by state law. Social Services should seek funding if it believes additional resources are necessary.	Department of Social Services	Partially Implemented
6. To ensure that it more effectively shares, receives, and uses administrative action information, until a centralized database can facilitate real-time information transmittal, Social Services should amend its interagency agreements to specify that the departments should share their administrative action information as soon as possible after the action is final, but no later than five business days after the end of the month in which it became final. It should begin amending its interagency agreements by July 2017.	Department of Social Services	Fully Implemented
7. To ensure that it more effectively shares, receives, and uses administrative action information, Social Services should amend its interagency agreements so that the agreements remain in effect indefinitely. It should begin amending its interagency agreements by July 2017.	Department of Social Services	Fully Implemented
8. To ensure that it more effectively shares, receives, and uses administrative action information, Social Services should, as it receives administrative action information from other departments, share this information with the county agencies that perform licensing duties on its behalf.	Department of Social Services	Fully Implemented
9. To ensure that it more effectively shares, receives, and uses administrative action information, Social Services should direct its exemption analysts to review the administrative action information as part of their background check reviews.	Department of Social Services	Fully Implemented
10. To ensure that Social Services evaluates the risk individuals may pose to vulnerable populations in its licensed care facilities as quickly as possible, by July 2017 Social Services should establish time frames for staff to evaluate individuals who are present in their facilities and who have received administrative actions from other departments. In addition, it should monitor and follow up with the appropriate staff regarding the status of their assessments of these individuals and their final decisions.	Department of Social Services	Partially Implemented
11. To better ensure the safety of clients in licensed facilities, the Legislature should amend state law to require that Social Services receive state and federal RAP sheets for individuals before allowing them access to licensed facilities.	Legislature	No Action Taken
12. To better ensure the safety of clients in licensed facilities, the Legislature should amend state law to expand the list of nonexemptible crimes to include the eight crimes we identified and any other crimes it deems appropriate.	Legislature	Legislation Proposed But Not Enacted
13. To comply with state law and better protect vulnerable populations in California's licensed care facilities, Social Services should immediately change its policy to require that its exemption analysts evaluate all infraction convictions, other than minor traffic violations, before granting exemptions to individuals. If Social Services believes it is not feasible to evaluate all of these convictions, it should report to the Legislature by June 2017 how it ensures that vulnerable populations are not at risk and should request that the Legislature change the law to eliminate infraction convictions as a crime category that Social Services must evaluate in order to grant an exemption.	Department of Social Services	Will Not Implement

<p>14. To comply with state regulations and its policies, the Caregiver Background Check Bureau (CBCB) should immediately ensure that its background check case files support its exemption decisions by including complete decision summaries and all required supporting documents. Also, it should immediately update its exemption-needed letter to identify all of the documents its policies require exemption analysts to evaluate when deciding whether to grant an exemption. The letter should also eliminate requests for documents that Social Services does not believe can be used if the applicant obtains them, such as law enforcement reports.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>15. To ensure that its exemption analysts are receiving information that Social Services believes is necessary and relevant to make exemption decisions, Social Services should immediately revise its policy to require that exemption analysts obtain law enforcement reports on behalf of individuals who seek exemptions.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>16. Until the Legislature requires that Social Services receive both California and federal criminal history information before issuing a clearance or processing an exemption, to better protect vulnerable populations, Social Services should immediately revise its policy to require its regional offices to obtain all self-disclosure forms for individuals who submit fingerprints to Justice as part of an application to be present in a licensed facility. The regional offices should then forward to the CBCB all self-disclosure forms that identify a conviction.</p>	<p>Department of Social Services</p>	<p>Pending</p>
<p>17. Until the Legislature requires that Social Services receive both California and federal criminal history information before issuing a clearance or processing an exemption, to better protect vulnerable populations, Social Services should immediately change its practice of allowing individuals who have not submitted a self-disclosure form to Social Services to have access to licensed facilities, thus reflecting the requirements of state law. In addition, the CBCB should develop a process to ensure that individuals cannot receive a clearance or an exemption without the CBCB first receiving both California and federal criminal history information if a regional office does not have a self-disclosure form for the individual.</p>	<p>Department of Social Services</p>	<p>Pending</p>
<p>21. To ensure that Social Services processes criminal history reviews as quickly as possible so that delays do not impede individuals whose presence in a licensed facility would pose no risk, by July 2017 the department should establish formal time frames and monitor the stages of the exemption process. At a minimum, Social Services should establish time frames for notifying individuals and facilities that a criminal history exemption is required, evaluating information it receives, and making decisions on exemptions. As part of monitoring, Social Services should identify when cases become backlogged and work to swiftly conclude those exemption reviews. In addition, if it determines that its staffing levels are insufficient to meet its time frames, it should seek additional resources.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>22. To ensure that Social Services processes legal actions as quickly as possible so that delays do not impede individuals whose presence in a licensed facility would pose no risk, by July 2017 the department should establish formal time frames and monitor the stages of the legal process. At a minimum, Social Services should establish time frames for assigning cases to attorneys. Further, it should regularly monitor itself against the 120-day time frame for serving an accusation after the Legal Division receives a case.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>23. To ensure that it can accurately monitor its pending cases, by May 2017 Social Services should develop a work plan to identify and address its exemption process backlog by September 2017. At a minimum, the work plan should include reviewing the cases its database identifies as open without activity 150 days after receiving a RAP sheet and closing the cases in its database where Social Services already performed its final exemption decision action.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>24. To ensure that Social Services processes arrest-only cases as quickly as possible, it should immediately follow its arrest-only and investigation policies, and monitor against those time frames for the various stages of the process.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>25. To ensure that its regional offices consistently verify that excluded individuals are no longer present at licensed facilities, at a minimum, Social Services should immediately revise its policy to require that regional offices conduct site visits after it issues exclusion orders. In addition, it should formalize the verification process it develops in its procedures, train all regional offices, and monitor compliance with the process.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>

26. To ensure that regional offices pursue legal actions in a timely manner, by July 2017 Social Services' headquarters should identify a resource—such as a unit—to monitor and follow up with the regional offices regarding the status of their legal actions related to substantiated address matches of registered sex offenders at licensed facilities.	Department of Social Services	Pending
27. The CBCB should update its procedures manual so that it is a centralized document staff are able to use for the most up-to-date guidance in performing their duties. In addition, it should update the CBCB-specific policies and combine them into a centralized document.	Department of Social Services	Fully Implemented
28. To ensure that its procedures are consistent and clear, Social Services should update its arrest-only case procedures and document its process for addressing subsequent arrest-only cases.	Department of Social Services	Fully Implemented
29. The CBCB should follow its new schedule for its refresher training sessions on the exemption process and continue to offer sessions as managers or staff identify a need.	Department of Social Services	Fully Implemented
30. The CBCB's arrest-only unit should develop and periodically conduct trainings on the aspects of the arrest-only process for which its analysts have not yet received training.	Department of Social Services	Fully Implemented
31. The CBCB should implement its planned changes for ensuring that files in the file room are in the appropriate place and filed correctly.	Department of Social Services	Fully Implemented

### Report Number 2016-128

#### *In-Home Supportive Services: The State Could Do More to Help Providers Avoid Future Payment Delays (March 2017)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that counties are handling timesheet exceptions consistently and minimizing delays, Social Services should develop and issue procedures by July 2017 to require the counties to first attempt to correct timesheet errors for specific types of exceptions before mailing blank replacement timesheets to providers. Additionally, Social Services should review a random sample of exceptions at least quarterly to ensure that the counties are following its new procedures.	Department of Social Services	Fully Implemented
2. To reduce the likelihood of inadvertent errors on replacement timesheets, Social Services should create functionality within the Case Management, Information and Payrolling System (CMIPS II) to allow replacement timesheets to be printed with data that had been submitted correctly on the original timesheet. Social Services should develop a plan by August 2017 that outlines actions, such as assessing the cost and seeking funding from the Legislature if necessary, that will be taken to create the functionality.	Department of Social Services	Will Not Implement
3. To ensure that counties follow a consistent and expeditious policy for responding to providers who report lost or stolen paychecks, Social Services should issue a policy by September 2017 that allows providers to request replacement paychecks after five business days from the issue date of the lost or stolen paychecks.	Department of Social Services	Fully Implemented
4. To assist counties in resolving exceptions efficiently and in managing their workload, Social Services should by December 2017 develop a timesheet exceptions report in CMIPS II that enables county staff to categorize common exceptions, identify providers with recurring exceptions, and track timesheet processing workload over a period of time. Social Services should also train county staff on the most effective use of these reports.	Department of Social Services	Resolved
5. To effectively communicate information to providers and reduce call volumes at counties, Social Services should implement functionality within CMIPS II by December 2017 to provide automated notifications to providers about the status of their timesheets and paychecks, including when timesheets are received and processed, when paychecks are processed, and whether there are exceptions on timesheets that would delay processing paychecks and whom to contact at the county to address those exceptions.	Department of Social Services	Resolved

<p>7. To ensure that Hewlett Packard Enterprise is meeting its contractual requirements, Social Services should review timesheet processing data and reports and follow up with the Office of Systems Integration (OSI) to make sure it is taking corrective action if Hewlett Packard Enterprise exceeds the agreed-upon processing time frames.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>8. To ensure that OSI is adequately monitoring Hewlett Packard Enterprise and to allow for more proactive management of the In-Home Supportive Services (IHSS) program, Social Services should work with OSI to enforce the contract provision requiring Hewlett Packard Enterprise to submit monthly data on the number of timesheets with exceptions by county and the time taken to resolve those exceptions. Moreover, Social Services should develop a process for regularly reviewing these data to detect any discrepancies among the counties' processes for handling timesheets with exceptions.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>10. To enable it to track whether the Employment Development Department (Employment Development) is meeting its contractual time frame for printing and mailing timesheets, Social Services should either modify its current agreement or require in the renewal of its agreement a method for tracking the time required to print and mail timesheets. Social Services should also perform monthly reviews of the activities performed by Employment Development and the State Controller's Office (SCO) to ensure compliance with the time frames for each agreement. Additionally, Social Services should implement a process to regularly test Employment Development and SCO processes to ensure that they are within the required time frames.</p>	<p>Department of Social Services</p>	<p>Pending</p>
<p>11. To more effectively address common problems reported by providers and recipients, Social Services should develop a formal process to document and address patterns of concerns conveyed through complaints. Specifically, the process should include a method for Social Services to identify and aggregate the complaints it receives, to analyze that information to determine whether there are common themes or broader issues to address within IHSS, and to obtain sufficient information to substantiate responses to the complaints. The process should also include steps to clarify ambiguous issues raised in the complaints and define clear deadlines and the steps to take when responding to complainants if those deadlines cannot be met.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>
<p>12. To facilitate providers' efforts to report their time, and to reduce the potential for providers to be inadvertently suspended from the IHSS program, the Legislature should amend state law to define the pay period as two workweeks. Moreover, the Legislature should modify state law to require weekly hours as the basis for authorizing services but continue to allow flexibility for recipients to adjust the hours their providers work across workweeks in a manner similar to the provisions of the current law.</p>	<p>Legislature</p>	<p>Legislation Proposed But Not Enacted</p>
<p>13. Until state law is changed to facilitate providers' efforts to report their time and to reduce the potential for providers to be inadvertently suspended from the IHSS program, Social Services should inform providers of the weekly maximum number of service hours for each variation in the length of the month, rather than using a standard conversion that results in providers claiming more hours than their recipients are authorized.</p>	<p>Department of Social Services</p>	<p>Will Not Implement</p>
<p>14. If the Legislature amends state law as we recommend, Social Services should modify the timesheet format to incorporate the weekly authorization for services and the new two-workweek pay period. Social Services should also reconfigure its timesheet to require that all information be entered on one side of the document, including the signatures of the provider and recipient.</p>	<p>Department of Social Services</p>	<p>Will Not Implement</p>
<p>15. To ensure that it can quickly identify potential concerns with the number of timesheets received at the timesheet processing facility Social Services should develop procedures to review its timesheet volume report on a daily basis. Alternatively, Social Services could work with OSI to modify the reporting function within CMIPS II to require automated notifications to management when the timesheet volume report identifies an instance when the volume of timesheets falls below the threshold specified.</p>	<p>Department of Social Services</p>	<p>Fully Implemented</p>

**Report Number I2017-2****Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. State Hospitals should take appropriate disciplinary action against the psychiatric technician.	Atascadero State Hospital	Resolved
2. State Hospitals should take steps to recoup the \$7,540 of overtime pay from the psychiatric technician.	Atascadero State Hospital	Fully Implemented
3. State Hospitals should take appropriate corrective actions to address the failures of the shift lead and the supervisor and to ensure they fulfill their responsibilities for recognizing and addressing attendance abuse.	Atascadero State Hospital	Fully Implemented

**Report Number 2017-117****Mental Health Services Act: The State Could Better Ensure the Effective Use of Mental Health Services Act Funding (February 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To effectively monitor Mental Health Services Act (MHSA) spending and provide guidance to the local mental health agencies, Health Care Services should publish its proposed regulations in the California Regulatory Notice Register by June 2018 and subsequently develop an MHSA fiscal reversion process to ensure that the State can reallocate any MHSA funds that local mental health agencies do not spend within the statutory reversion time frames to other local mental health agencies that are better positioned to use the funds to meet the MHSA's intent.	Department of Health Care Services	Pending
2. To effectively monitor MHSA spending and provide guidance to the local mental health agencies, Health Care Services should publish its proposed regulations in the California Regulatory Notice Register by June 2018 and subsequently clarify that the interest the local mental health agencies earn on unspent MHSA funds is subject to the same reversion requirements as the MHSA funds they receive.	Department of Health Care Services	Resolved
3. To effectively monitor MHSA spending and provide guidance to the local mental health agencies, Health Care Services should publish its proposed regulations in the California Regulatory Notice Register by June 2018 and subsequently establish and enforce an MHSA reserve level that will allow local mental health agencies to maintain sufficient funds to continue providing crucial mental health services in times of economic hardship, but that will not result in them holding reserves that are excessive. Health Care Services should also establish controls over local mental health agencies' deposits and withdrawals to their reserves.	Department of Health Care Services	Pending
4. Health Care Services should complete its analysis of the \$225 million fund balance in the Mental Health Services Fund by May 1, 2018, to determine why this balance existed, whether there is any impact on funding to the local mental health agencies and, if so, distribute those funds accordingly. Further, it should establish a process to regularly scrutinize the MHS Fund to identify any excess fund balances and the reasons for such balances.	Department of Health Care Services	Fully Implemented
5. To ensure that it provides effective oversight of local mental health agencies' reporting of MHSA funds, Health Care Services should publish its proposed regulations in the California Regulatory Notice Register by June 2018. Health Care Services should then subsequently implement a process that will enable it to withhold MHSA funds from local mental health agencies that fail to submit their annual reports on time.	Department of Health Care Services	Pending
6. To ensure that it provides effective oversight of local mental health agencies' reporting of MHSA funds, Health Care Services should publish its proposed regulations in the California Regulatory Notice Register by June 2018. Health Care Services should then subsequently implement a process that will enable it to withhold MHSA funds from local mental health agencies that fail to submit their annual reports on time.	Department of Health Care Services	Pending

<p>7. To ensure that local mental health agencies comply with their performance contracts and MHSA requirements, Health Care Services should establish a process for conducting comprehensive program reviews and begin conducting those reviews by July 2018.</p>	<p>Department of Health Care Services</p>	<p>Partially Implemented</p>
<p>8. To ensure that local mental health agencies are able to spend Innovation program funds in a timely manner, the Mental Health Services Oversight and Accountability Commission (Oversight Commission) should continue its efforts to help local mental health agencies understand the types of Innovation projects that the commissioners believe are appropriate. These efforts should include engagement and dialogue with local mental health agencies through Innovation events and forums about the types of innovative approaches that would meet the requirements of the MHSA. The Oversight Commission should use meetings of the Innovation subcommittee or a similar mechanism to evaluate the progress of its efforts to reduce unspent Innovation funds and the need for continued engagement and dialogue with local mental health agencies.</p>	<p>Mental Health Services Oversight and Accountability Commission</p>	<p>Pending</p>
<p>9. To ensure proper oversight and evaluation of outcomes for the Prevention and Innovation projects, the Oversight Commission should finalize its internal processes for reviewing and analyzing the program status reports no later than July 2018. Further, in order to fulfill its statutory responsibility to provide oversight and accountability for MHSA programs, the Oversight Commission should ensure that it launches all three data tools to track local mental health agencies' funding, services, and outcomes as it intends.</p>	<p>Mental Health Services Oversight and Accountability Commission</p>	<p>Pending</p>
<p>10. To ensure that the MHSA-funded triage grants are effective, the Oversight Commission should require that local mental health agencies uniformly report data on their uses of triage grants. It should also establish statewide metrics to evaluate the impact of triage grants by July 2018.</p>	<p>Mental Health Services Oversight and Accountability Commission</p>	<p>Pending</p>
<p>11. To strengthen its monitoring of MHSA projects and ensure that it spends MHSA funds appropriately, Alameda should develop and implement MHSA program monitoring guidelines to ensure that staff appropriately perform and document their monitoring activities.</p>	<p>Alameda County Behavioral Health Care Services</p>	<p>Pending</p>

**Report Number 2017-112**

**Homelessness in California: State Government and the Los Angeles Homeless Services Authority Need to Strengthen Their Efforts to Address Homelessness(April 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To better serve the needs of homeless Californians, and to provide statewide leadership to agencies at all levels for better coordination of efforts to address homelessness, the Legislature should enact legislation and include funding within the Budget Act of 2018 that will allow the Homeless Coordinating and Financing Council (state homeless council) to hire permanent staff, including the appointment of an executive director.</p>	<p>Legislature</p>	<p>Legislation Enacted</p>
<p>2. To better serve the needs of homeless Californians, and to provide statewide leadership to agencies at all levels for better coordination of efforts to address homelessness, the Legislature should enact legislation and include funding within the Budget Act of 2018 that will allow California's Continuum of Care (CoC) areas to obtain the state funding necessary to better implement U.S. Housing and Urban Development (HUD) recommended activities, including annually counting the unsheltered homeless population, improving efforts to raise nonfederal funding, and improving their coordination with other agencies; and to more fully meet HUD requirements, including implementation and administration of the Homeless Management Information System and coordinated entry systems.</p>	<p>Legislature</p>	<p>Legislation Enacted</p>

3. The Legislature should require the state homeless council to develop and implement by April 1, 2019, a statewide strategic plan for addressing homelessness in California, including goals and objectives and timelines for achieving them, and metrics for measuring their achievements. Included among the goals and objectives should be the identification of additional funding sources that state and local agencies can use to better address California's homelessness issues.	Legislature	Legislation Proposed But Not Enacted
4. The Legislature should require the state homeless council to implement steps by January 1, 2019, to assist CoC lead agencies in better implementing HUD-recommended activities including conducting annual counts of the unsheltered homeless population, raising nonfederal funding, and coordinating with other agencies.	Legislature	Legislation Proposed But Not Enacted
5. The Legislature should require the state homeless council to implement steps by January 1, 2019, to assist CoC lead agencies in better meeting HUD requirements, including implementation of the HMIS and entry systems. The state homeless council should include among its considerations the establishment of a balance-of-state CoC area to help alleviate the administrative burdens imposed on CoC lead agencies, especially in rural areas.	Legislature	Legislation Proposed But Not Enacted
6. To ensure the consistency and transparency of its processes, the Los Angeles Homeless Authority (Authority) should implement updated written policies and procedures by July 2018.	Los Angeles Homeless Services Authority	Pending
7. To ensure the consistency and transparency of its processes, the Authority should update its written policies and procedures regularly to reflect changes in its processes.	Los Angeles Homeless Services Authority	Fully Implemented
8. To ensure that its funding recommendations are effective, consistent, and transparent, the Authority should develop and implement a process by July 2018 to ensure that staff complete evaluation tools as intended.	Los Angeles Homeless Services Authority	Fully Implemented
9. To ensure that its funding recommendations are effective, consistent, and transparent, the Authority should develop and implement a process by July 2018 to document supervisory review of its application evaluation process and of meetings in which it discusses funding decisions.	Los Angeles Homeless Services Authority	Pending
10. To ensure that its funding recommendations are effective, consistent, and transparent, the Authority should include the previously mentioned changes to its processes in its updated written policies and procedures by July 2018.	Los Angeles Homeless Services Authority	Pending
11. To expand the number of service providers through targeted technical assistance, the Authority should evaluate the use of a document management system to support the application evaluation process and implement the appropriate system by December 2018.	Los Angeles Homeless Services Authority	Pending
12. To expand the number of service providers through targeted technical assistance, the Authority should evaluate the effectiveness of the selected system within 12 months after implementation.	Los Angeles Homeless Services Authority	Pending
13. To expand the number of service providers through targeted technical assistance, the Authority should develop and implement a process by December 2018 to track aggregate application evaluation data, including the common reasons applicants fail to qualify for funding, among other information.	Los Angeles Homeless Services Authority	Pending
14. To expand the number of service providers through targeted technical assistance, the Authority should track service areas in its database management system or by another mechanism to identify accurately the results of its application evaluation process, amounts awarded, amounts funded, and amounts disbursed by service area by July 2018.	Los Angeles Homeless Services Authority	Pending
15. To expand the number of service providers through targeted technical assistance, the Authority should track HUD awards, including renewal projects, by service area by July 2018.	Los Angeles Homeless Services Authority	Fully Implemented
16. To expand the number of service providers through targeted technical assistance, the Authority should track the reasons that service providers who attend the mandatory bidders conference do not apply for funding, and address any barriers by July 2018.	Los Angeles Homeless Services Authority	Pending
17. To expand the number of service providers through targeted technical assistance, the Authority should continue its efforts to develop and implement technical assistance programs for service providers, and track and analyze the results of that assistance by April 2019.	Los Angeles Homeless Services Authority	Pending

**Report Number 2017-109**

**Skilled Nursing Facilities: Absent Effective State Oversight, Substandard Quality of Care Has Continued (May 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To ensure that the State supports and encourages skilled nursing facilities' (nursing facilities) efforts to improve their quality of care, the Legislature should modify the quality assurance fee by requiring nursing facilities to demonstrate quality-of-care improvements to receive all or some of their quality assurance fee payments. If nursing facilities do not demonstrate adequate quality-of-care improvements, Health Care Services should redistribute their quality assurance fee payments to those nursing facilities that have improved. In modifying this program, the Legislature should consider the best practices we identified and the feedback that Health Care Services receives from stakeholders.</p>	Legislature	No Action Taken
<p>2. To ensure that Public Health's oversight results in nursing facilities improving their quality of care, the Legislature should require Public Health to develop by November 2018 a proposal for legislative consideration that outlines the factors it will consider when approving or denying applications from nursing facilities of the same class based on each applicant's ability to provide quality patient care. This proposal should outline the specific criteria—including relevant quality-of-care metrics—that Public Health will consider and the specific thresholds at which higher-level management must approve decisions. Public Health should review its proposal with its stakeholders before forwarding it to the Legislature. The Legislature should codify Public Health's proposal as appropriate.</p>	Legislature	No Action Taken
<p>3. To ensure that Public Health's oversight results in nursing facilities improving their quality of care, the Legislature should require Public Health to conduct state and federal inspections concurrently by aligning federal and state timelines. Specifically, because federal inspections must occur no later than 15 months since the last federal inspection, the Legislature should require that state inspections occur every 30 months.</p>	Legislature	No Action Taken
<p>4. To ensure that Public Health's oversight results in nursing facilities improving their quality of care, the Legislature should require that Public Health increase citation penalty amounts annually by—at a minimum—the cost of inflation.</p>	Legislature	No Action Taken
<p>5. The Legislature should require nursing facilities to submit annually their related-parties' profit and loss statements to Health Care Services when total transactions exceed a specified monetary threshold. The purpose of these statements would be to assist Health Care Services in its audits.</p>	Legislature	Legislation Enacted
<p>6. To improve coordination and efficiency among the state agencies that oversee nursing facilities, the Legislature should require that the Office of Statewide Health Planning and Development (Health Planning), Public Health, and Health Care Services collaborate to assess the information that each collects from nursing facilities and to develop a proposal by May 2019 for any legislative changes that would be necessary to increase the efficiency of their collection and use of the information. The agencies' goals should include the collection of information by only one agency and the development of a method to share that information with each other. By May 2020, the three agencies should report to the Legislature on the results of implementing their proposal, such as the efficiencies gained through their increased coordination.</p>	Legislature	No Action Taken
<p>7. To more effectively communicate with consumers about nursing facilities' financial conditions and quality of care, the Legislature should require a state entity—such as Health Planning, Public Health, or Health Care Services—to develop, implement, and maintain for consumers by May 2020 an online dashboard that includes at a minimum information about nursing facilities' net income and quality of care.</p>	Legislature	No Action Taken

8. As the Legislature considers changes to state law, Public Health should take the steps necessary to ensure that its oversight results in nursing facilities improving their quality of care by amending its application licensing reviews by developing a defined process that specifies how an analyst will determine whether an applicant has demonstrated its ability to comply with state and federal requirements. This process also needs to ensure that analysts conduct complete and standardized reviews of each nursing facility application within each class of facility. Specifically, these processes should clearly outline what factors analysts will consider when determining whether an applicant is in compliance, how analysts will weigh those factors for each class of facility, and what objective thresholds will prompt analysts to elevate applications for review and approval by higher-level management. Additionally, Public Health should document the additional factors higher-level management will consider if applications are elevated for their review to ensure that Public Health conducts standardized reviews of nursing facility applications of the same class. Finally, Public Health should develop processes ensuring that it documents its decisions adequately.	Department of Public Health	Pending
9. As the Legislature considers changes to state law, Public Health should take the steps necessary to ensure that its oversight results in nursing facilities improving their quality of care by ensuring that it issues citations in a timely manner, especially for immediate jeopardy deficiencies.	Department of Public Health	Pending
10. To ensure that it provides the public with nursing facility information that is accurate and comprehensible, Health Planning should update its regulations to do the following: <ul style="list-style-type: none"> <li>• Append additional schedules to the template for the annual cost report to enable nursing facilities to fully disclose related-party transactions.</li> <li>• Provide a single location in the annual cost report template for nursing facilities to enter related-party transaction amounts next to the amounts they are claiming for Medi-Cal reimbursement.</li> <li>• Create an additional schedule in the cost report template that depicts how a company is investing in quality-of-care improvements.</li> </ul>	Office of Statewide Health Planning and Development	Pending
11. To improve the availability and transparency of information, Public Health should upload all inspection findings to Cal Health Find and review ownership data by May 2019.	Department of Public Health	Pending
12. Health Care Services should use current data to revise and update the peer groups it uses to set Medi-Cal rates. In doing so, it should take into consideration the consolidation of the nursing facility industry.	Department of Health Care Services	Pending

### Report Number 2017-124

#### *San Diego County's Health and Human Services Agency: It Cannot Demonstrate That It Employs the Appropriate Number of Public Health Nurses to Efficiently Serve Its Residents (July 2018)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To better ensure and demonstrate that it efficiently meets public health needs of at-risk county residents, and that it employs the appropriate number of Public Health Nurses (PHN) in the right locations to address those needs, the San Diego County Health and Human Services Agency (Health Agency) should measure and assess PHN efficiency. Specifically, the Health Agency should direct the chief nursing officer to begin developing and implementing PHN efficiency measures by January 1, 2019. These measures could address such factors as caseload, case complexity, and overtime.	San Diego County Health and Human Services Agency	Pending
2. To better ensure that its PHNs are prepared for future public health emergencies, the Health Agency should distribute its surge plan to its PHNs and train them on its protocols.	San Diego County Health and Human Services Agency	Fully Implemented

**Report Number 2017-129**

**Department of Rehabilitation: Its Inadequate Guidance and Oversight of the Grant Process Led to Inconsistencies and Perceived Bias in Its Evaluations and Awards of Some Grants (July 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To comply with federal and state requirements, and to ensure consistency and fairness in its grant process, the Department of Rehabilitation (Rehabilitation) should issue regulations describing its grant process from request for applications (RFA) development through appeals. It should submit its proposed regulations to the Office of Administrative Law no later than December 2018.	Department of Rehabilitation	Pending
2. To ensure that management and staff involved in the grant process are sufficiently informed about the process and their responsibilities, Rehabilitation should require these employees to attend a kickoff meeting before the development of each RFA in which participants discuss the key stages of the grant review process, each individual's roles and responsibilities, and requirements surrounding conflicts of interest and confidentiality. Further, it should record these discussions in meeting minutes to ensure that expectations of employees are clearly defined and documented.	Department of Rehabilitation	Pending
3. To comply with state laws and regulations and help ensure that staff involved in making governmental decisions during the grant process are impartial, Rehabilitation should ensure that they receive ethics training, which includes conflict-of-interest training, at least every two years.	Department of Rehabilitation	Pending
4. To help ensure that staff involved in the grant process adequately protect confidential information, Rehabilitation should develop confidentiality procedures for each grant. Further, it should ensure that staff involved in the grant process sign the conflict-of-interest and confidentiality forms before the development of the RFA for each grant.	Department of Rehabilitation	Pending
5. To ensure that it has received sufficient input and feedback from the disability community to inform the development of RFAs, Rehabilitation should solicit and document stakeholder input and feedback before and during the development of each RFA.	Department of Rehabilitation	Pending
6. To increase transparency and ensure that applicants have the information necessary to understand the grant process, Rehabilitation should include in its RFAs clear scoring criteria and descriptions of the evaluation, award, and appeals processes, including the process it will use to address applications that receive tied scores.	Department of Rehabilitation	Pending
7. To ensure that Rehabilitation maintains all relevant grant documentation and responds fully to requests for public records, it should immediately adhere to its records retention policy and save all grant-related documents, including email correspondence and attachments, to a centralized location.	Department of Rehabilitation	Pending
8. To avoid bias or the perception of bias, the Legislature should enact legislation that prohibits state agencies from selecting as an evaluator of grant applications a representative, former member, or former staff of any organization or person that is applying to receive grant funding from the state agency.	Legislature	No Action Taken
9. To ensure consistency and fairness in the evaluation process, Rehabilitation should make sure that it accepts only complete applications submitted before the deadline, unless otherwise specified in the RFA. If the RFA specifies a hard deadline and applicants submit incomplete applications, Rehabilitation should not accept any portions of the applications submitted after the deadline and should assess the penalty for incomplete applications specified in the RFA.	Department of Rehabilitation	Pending
10. To help ensure that evaluators adequately protect confidential information and that the evaluation process is fair, Rehabilitation should develop standardized evaluator training for confidentiality procedures and conflicts of interest, including a discussion of bias or the appearance of bias. Rehabilitation should also ensure that the candidates receive this training and sign conflict-of-interest and confidentiality forms before it selects evaluators. Further, it should prohibit program staff who participate in the development of an RFA from acting as evaluators for the applications Rehabilitation receives in response to that RFA.	Department of Rehabilitation	Pending

continued on next page...

11. To increase the transparency of its selection process and to ensure that it receives the most qualified evaluators possible, Rehabilitation should issue a public solicitation for evaluators for each grant that includes a description of essential and desirable qualifications.	Department of Rehabilitation	Pending
12. To ensure that evaluators have the information necessary to sufficiently and fairly assess and score applications, Rehabilitation should develop training by December 2018 that can be tailored to each grant and includes at minimum the following topics: <ul style="list-style-type: none"> <li>• The purpose and relevant regulatory requirements for the grant.</li> <li>• Instructions on how to score applications, including an applicant’s financial information, and direction that they must provide comments to support their scores.</li> <li>• Rehabilitation should provide this training to evaluators before allowing them to score applications.</li> </ul>	Department of Rehabilitation	Pending
13. To ensure that it provides sufficient oversight of the grant process, Rehabilitation should ensure that the technical review teams it assigns to grants provide the director and chief deputy with a memorandum summarizing the evaluation process and the evaluators’ recommended grant awardees. Rehabilitation should also designate an individual responsible for reviewing and approving the memorandum and recommended awardees before it publishes its notice of intent to award.	Department of Rehabilitation	Pending
14. If it finds errors in an evaluation that merit restarting the grant process, rescoring of applications, or convening a new evaluation panel, Rehabilitation should resolve any issues before it begins the rescoring process. It should also notify applicants to ensure that they are aware of any changes to the process due to the errors. Further, it should consider promulgating regulations and amending its grant manual to permit staff to request evaluators to rescore applications or convene a new evaluation panel when it finds issues with an evaluation.	Department of Rehabilitation	Pending
15. To ensure that it consistently and thoroughly evaluates appeals, Rehabilitation should establish in state regulations and its grant manual that staff at the appropriate level of authority are to acknowledge all appeal requests, notify intended awardees that could be affected by the appeals, and inform the appellant of the qualifications of the review committee members. Staff at the appropriate level of authority must also notify all affected parties of the review committee’s final decision within the time frame Rehabilitation establishes in regulations.	Department of Rehabilitation	Pending
16. To ensure that Rehabilitation has appropriate oversight of its grant process and can sufficiently demonstrate that it followed the process, it should designate staff, separate from those involved in the respective grant process, to conduct a review of each grant process for procedural errors, evaluator prejudice, and whether evaluators supported their scores with evidence from the relevant applications before it awards grants.	Department of Rehabilitation	Pending
17. To comply with federal and state requirements, and to ensure consistency and fairness in its grant process, Rehabilitation should revise and formalize the policies and procedures in its grant manual to incorporate the rules adopted by regulation and to address the recommendations in this report. The grant manual should specify that any deviations from the required grant process must be for good cause and be documented.	Department of Rehabilitation	Pending
18. To ensure that it consistently and thoroughly evaluates appeals, Rehabilitation should establish in state regulations and its grant manual a process for the review committees to request additional information from appellants or program staff. To allow time for an adequate review of any additional information, Rehabilitation should consider extending the time for review committees to issue their decision on appeals from 30 days to 45 days.	Department of Rehabilitation	Pending
19. To ensure that it consistently and thoroughly evaluates appeals, Rehabilitation should establish in state regulations and its grant manual that to be able to rescore applications when necessary, the review committee members should be subject-matter experts or, if they are not subject-matter experts, the review committee should have the authority to recommend a new evaluation panel instead of rescoring applications itself when it identifies a reason to invalidate previous evaluations.	Department of Rehabilitation	Pending

**Report Number 2018-102**

***Tulare Local Healthcare District: Past Poor Decisions Contributed to the Closure of the Medical Center, and Licensing Issues May Delay Its Reopening (October 2018)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that the Tulare Local Health Care District (district) can demonstrate that its decisions for selecting contractors are justified and are in the best interest of the district's residents, by April 2019 the district should establish formal procedures designed to ensure that it follows a rigorous and appropriate evaluation and contract awarding process.	Tulare Local Healthcare District	Pending
2. To ensure that the district pays only reasonable and appropriate contract administrative costs, before the district signs any future management contract, it should prepare estimates of the costs for all proposed contract terms related to compensation.	Tulare Local Healthcare District	Pending
3. To ensure that it complies with state law, by April 2019 the district should update its policy related to conflicts of interest to include procedures requiring the district to obtain and maintain copies of all designated individuals' statements of economic interests at the medical center.	Tulare Local Healthcare District	Pending
4. To ensure that the district recovers funds inappropriately used to pay for work outside the district, it should immediately take steps to seek reimbursement from Healthcare Conglomerate Associates (HCCA) for payments the district made to HCCA for time the former Chief Financial Officers and other employees spent working at Southern Inyo Healthcare District.	Tulare Local Healthcare District	Pending
5. To ensure that the district is able to reopen by mid-October 2018, it should continue to address requirements to reinstate its license and should arrange for Public Health to verify compliance with licensing operational requirements as soon as it has completed addressing the requirements to reopen.	Tulare Local Healthcare District	Resolved
6. To ensure that the district budgets for all costs necessary to reopen, it should immediately include in its budget the costs to pay pre-petition debt for vendors with whom it must reestablish relationships before it can resume operations.	Tulare Local Healthcare District	Pending
7. To ensure that the district is able to obtain the supplies and purchased services necessary to reopen the medical center, the district should continue its efforts toward reestablishing relationships with vendors so that it can reopen the medical center by mid-October 2018.	Tulare Local Healthcare District	Resolved
8. To ensure that it uses bond proceeds for allowable purposes and improves its consistency and accountability in processing payments from bond proceeds, by April 2019 the district should formalize and document policies and procedures for verifying that it uses bond proceeds for allowable purposes and for approving expenditures paid from general obligation bond proceeds.	Tulare Local Healthcare District	No Action Taken
9. To ensure that it maintains adequate oversight of expenditures from any future bond proceeds, by April 2019 the district should establish a formal policy to include, as part of the charter for any future bond oversight committee, a requirement that the committee review bond expenditures quarterly at a minimum. The policy should also require the committee to report the results of its reviews to the board quarterly.	Tulare Local Healthcare District	No Action Taken
10. To ensure that any future bond oversight committee meets specified reporting requirements, by April 2019 the district should establish a written process to periodically monitor committee compliance with reporting requirements.	Tulare Local Healthcare District	No Action Taken
11. To increase the effectiveness of its monitoring to ensure that bond proceeds are used only for the purposes that the voters intended, by April 2019 the district should establish and follow a written process to document the steps it will take to address findings and recommendations identified in any future external audits of the bond proceeds.	Tulare Local Healthcare District	No Action Taken
12. To ensure that it can demonstrate that invoices it pays are for contracted services, by April 2019 the district should update its contract management policy to include a requirement to retain a copy of all contracts similar to the State's requirement of seven years.	Tulare Local Healthcare District	Pending

continued on next page...

**Report Number 2018-603****Department of Health Care Services: It Paid Billions in Questionable Medi-Cal Premiums and Claims Because It Failed to Follow Up on Eligibility Discrepancies (October 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that Health Care Services adequately monitors the counties' resolution of system discrepancies, the Legislature should require Health Care Services to report publicly on counties' compliance with the performance standards set forth in state law, as well as Health Care Services' actions taken in response to counties not complying with the standards.	Legislature	No Action Taken
2. To recover inappropriately spent funds, prevent future erroneous payments, and ensure eligible individuals' access to care, Health Care Services should resolve the discrepancies we identified and recover erroneous payments where allowable by June 30, 2019.	Department of Health Care Services	*
3. To prevent future erroneous payments, Health Care Services should implement procedures by December 31, 2018, to ensure the timely resolution of system discrepancies. These procedures should include Health Care Services regularly following up on recurring, unresolved system discrepancies with the responsible county.	Department of Health Care Services	*
4. To prevent future erroneous payments, Health Care Services should establish procedures by December 31, 2018, that define when it will use its authority as defined in state law to sanction unresponsive counties that do not remedy known discrepancies.	Department of Health Care Services	*
5. To assist counties in addressing discrepancies, Health Care Services should find a cost-effective method to provide its exception reports in an electronic format readable by common database and spreadsheet software products that would allow users to sort and filter the data readily by December 31, 2018.	Department of Health Care Services	*
6. To assist counties in addressing discrepancies, Health Care Services should reevaluate and update its guidance to the counties related to prioritizing Medi-Cal Eligibility Data System alerts by December 31, 2018.	Department of Health Care Services	*

**Report Number 2018-116****San Diego's Hepatitis A Outbreak: By Acting More Quickly, the County and City of San Diego Might Have Reduced the Spread of the Disease (December 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To better ensure that local health officers can promptly respond to disease outbreaks, the Legislature should clarify existing state law to specify that the local health officer for each geographic jurisdiction may issue directives to other governmental entities within that jurisdiction to take action as the officer deems necessary to control the spread of communicable diseases.	Legislature	No Action Taken
2. To ensure that each local public entity has the information necessary to adequately respond and protect the public health of its residents during disease outbreaks, the Legislature should enact legislation requiring local health officers to promptly notify and update local public entities within the health officers' jurisdictions about communicable disease outbreaks that affect them. The legislation should also require health officers to make available relevant information to these local public entities, including the locations of concentrations of cases, the number of residents affected, and the measures that the local public entities should take to assist with outbreak response efforts.	Legislature	No Action Taken
3. To prevent delays when responding to future communicable disease outbreaks, San Diego County (county) should ensure that in the event of an outbreak, its response plans include the following critical elements: specific and achievable objectives, time frames by which it expects to achieve these objectives, and the resources necessary to achieve its objectives within the planned time frames. Furthermore, the county should update its emergency operations plan and other planning documents to reflect these changes by April 30, 2019.	San Diego County	*

<p>4. To better ensure effective collaboration and cooperation with other local jurisdictions, the county should finalize its draft policy that requires it to respond to future outbreaks by promptly convening policy groups that include representatives from relevant local jurisdictions. Furthermore, to facilitate improved communication with and participation from jurisdictions potentially affected by disease outbreaks, the county should promptly share relevant data with each jurisdiction.</p>	<p>San Diego County</p>	<p>*</p>
<p>5. To ensure that it takes appropriate action to protect the public health of the residents of the city of San Diego (city), the county should enter into an agreement—such as a memorandum of understanding—with the city or should negotiate revisions in its contract with the city by March 31, 2019, to clarify each entity’s roles and responsibilities over public health matters, and to include city leadership in coordinating response efforts when public health matters, such as disease outbreaks, affect the city’s residents.</p>	<p>San Diego County</p>	<p>*</p>
<p>6. To ensure that the city is sufficiently aware of future disease outbreaks and other public health concerns that affect its residents and that it can take appropriate action to protect the public health of its residents, the city should enter into an agreement—such as a memorandum of understanding—with the county or should negotiate revisions in its contract with the county by March 31, 2019, to clarify each entity’s roles and responsibilities over public health matters, and to include city leadership in coordinating response efforts when public health matters, such as disease outbreaks, affect the city’s residents.</p>	<p>City of San Diego</p>	<p>*</p>
<p>7. To identify and address any unresolved issues that may have contributed to delays in implementing sanitation measures before the county health officer’s September 2017 declaration of a local health emergency, the city should, by March 31, 2019, examine its actions related to the hepatitis A outbreak before the emergency declaration, identify any such issues, and use the results of that examination to develop a corrective action plan to address them.</p>	<p>City of San Diego</p>	<p>*</p>
<p>8. To better enable other jurisdictions to more promptly respond to future hepatitis A outbreaks, Public Health should amend its Hepatitis A Outbreak Response Plan by February 28, 2019, to recommend that the jurisdictions set vaccination targets as soon as possible, establish dates by when they expect to achieve those targets, and determine the quantities of resources necessary to administer the vaccinations by those dates.</p>	<p>Department of Public Health</p>	<p>*</p>
<p>9. To further clarify the authority of local health officers, Public Health should finalize and issue its medical powers guide by April 30, 2019, and revise it to describe to the greatest extent possible the types of actions that local health officers can take within their jurisdictions to prevent or contain the spread of infectious disease.</p>	<p>Department of Public Health</p>	<p>*</p>

\* The status of recommendations for audits issued between late October and December 2018 is based on the entities’ initial response, which is included in the original audit report, available on the California State Auditor’s (State Auditor) website: [www.auditor.ca.gov](http://www.auditor.ca.gov).

PAGE LEFT BLANK INTENTIONALLY

## Assembly Budget Subcommittee 2 on Education Finance

### Report Number 2016-109

#### *Uniform Complaint Procedures: The California Department of Education's Inadequate Oversight Has Led to a Lack of Uniformity and Compliance in the Processing of Complaints and Appeals (January 2017)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure the requirements of the uniform complaint procedures (UCP) are consistent for complaints and appeals the California Department of Education (Education) handles, the Legislature should codify the UCP regulations to, among other things, prescribe consistent time frames for completing all investigations of complaints and reviews of appeals by Education.	Legislature	No Action Taken
2. To ensure the requirements of the UCP are consistent for complaints and appeals Education handles, the Legislature should codify the UCP regulations to, among other things, identify a consistent time limit for filing UCP complaints.	Legislature	No Action Taken
3. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should distribute complaints and appeals to the correct divisions for investigation or review.	Department of Education	Will Not Implement
4. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should establish a single database to record and track all investigations of complaints and reviews of appeals. This database should capture all data necessary for Education to effectively make informed decisions related to UCP complaints or appeals. At a minimum, the database should capture the date on which Education received each complaint or appeal, the date on which it forwarded the complaint or appeal to the appropriate division for investigation or review, and the date on which it sent the decision to the complainant. The database should also include the type of complaint or appeal, the local educational agency (LEA) involved, and the decision.	Department of Education	Partially Implemented
5. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should track the divisions' progress in processing complaints and appeals to ensure the divisions meet all UCP requirements, including documenting exceptional circumstances that constitute good cause for extending investigations beyond 60 days.	Department of Education	Pending
6. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should work with divisions to establish policies and procedures for the divisions to follow when investigating UCP complaints and reviewing appeals. The procedures should identify the individuals or units responsible for investigating complaints and reviewing appeals, the steps and time frames for conducting investigations and reviews, the requirements for issuing decisions, and the documentation that should be retained in the files.	Department of Education	Pending
7. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should establish and distribute a standard investigation report format that includes the required elements for the divisions to use when processing UCP complaints.	Department of Education	Pending

8. To ensure that it consistently processes complaints and appeals in a timely manner and that it investigates and reviews all UCP complaints and appeals in compliance with state law and regulations, by July 2017 Education should designate a central office to receive all complaints and appeals. This central office should monitor the divisions' decisions and reports on complaints and appeals to ensure that they comply with requirements.	Department of Education	Partially Implemented
9. To ensure that its regulations are consistent and align with state and federal requirements, by July 2017 Education should initiate revising its regulations to require its divisions to complete investigations of complaints and reviews of appeals related to all programs within 60 days of Education receiving them, including providing its decisions in writing to complainants, unless otherwise specified in statute or federal regulations.	Department of Education	Will Not Implement
10. To ensure that its regulations are consistent and align with state and federal requirements, by July 2017 Education should initiate revising its regulations to allow Nutrition Services to investigate all complaints as direct intervention.	Department of Education	Will Not Implement
11. To ensure that it complies with UCP regulations and makes complainants aware of the outcome of investigations, beginning February 2017 Nutrition Services should provide them with investigation reports, even when the complainants request anonymity from the LEAs involved.	Department of Education	Fully Implemented
12. To emphasize LEAs' ability to use alternative methods to resolve complaints, including mediation, alternative dispute resolution, or restorative practices, when codifying the UCP regulations, the Legislature should specify these as possible methods for resolving complaints.	Legislature	No Action Taken
13. To make the provisions for extending investigations consistent between Education and LEAs, when codifying the UCP regulations, the Legislature should allow LEAs to extend investigations. Specifically, in the absence of an agreement from the complainant, allow LEAs to extend an investigation under exceptional circumstances that constitute good cause if the LEAs document and support with evidence the reasons for the extensions.	Legislature	No Action Taken
14. To minimize the number of complaints it receives through the UCP process that do not fall within the purview of UCP regulations, Los Angeles Unified School District (Los Angeles Unified) should establish a mechanism that allows specified individuals for the districts to promptly discuss with complainants how best to address their issues or complaints and to determine whether their complaints fall under the purview of the UCP before they file complaints.	Los Angeles Unified School District	Fully Implemented
15. To minimize the number of complaints it receive through the UCP process that do not fall within the purview of UCP regulations, San Juan Unified School District (San Juan Unified) should establish a mechanism that allows specified individuals for the districts to promptly discuss with complainants how best to address their issues or complaints and to determine whether their complaints fall under the purview of the UCP before they file complaints.	San Juan Unified School District	Fully Implemented
16. To increase the efficiency and effectiveness of LEAs' UCP processes, Education should work with those LEAs throughout the State that receive a disproportionately high number of non-UCP complaints through the UCP process to assess the potential benefits of establishing similar mechanisms.	Department of Education	Will Not Implement
17. To ensure that it can defend its extensions of complaint investigations that are authorized by existing UCP regulations, Los Angeles Unified should obtain agreements from complainants before extending investigations beyond the required 60 days.	Los Angeles Unified School District	Fully Implemented
18. To ensure that it can defend its extensions of complaint investigations that are authorized by existing UCP regulations, San Diego Unified School District (San Diego Unified) should obtain agreements from complainants before extending investigations beyond the required 60 days.	San Diego Unified School District	Fully Implemented
19. To ensure that it can defend its extensions of complaint investigations that are authorized by existing UCP regulations, San Juan Unified should obtain agreements from complainants before extending investigations beyond the required 60 days.	San Juan Unified School District	Fully Implemented

<p>20. To ensure its decisions are clear and comply with state regulations, San Juan Unified should include in its investigation reports all required elements, including clear conclusions of law and corrective actions with specific actions and timelines for completion. If it believes the requirements in UCP regulations are not clear, San Juan Unified should seek guidance from Education.</p>	<p>San Juan Unified School District</p>	<p>Fully Implemented</p>
<p>21. To ensure that it meets the legally required time frames for remedying issues alleged in Williams complaints, Los Angeles Unified's Educational Equity Compliance Office should work closely with the divisions responsible for addressing issues in the Williams complaints to ensure they are completed within the required time frame. Further, it should ensure that it maintains the appropriate documentation to demonstrate that it complied with requirements for remedying the issues in Williams complaints within 30 working days.</p>	<p>Los Angeles Unified School District</p>	<p>Fully Implemented</p>
<p>22. To ensure that its regulations are consistent and align with state and federal requirements, Education should revise its regulations to allow LEAs to extend investigations under exceptional circumstances that constitute good cause if the LEAs document and support with evidence the reasons for the extensions.</p>	<p>Department of Education</p>	<p>Pending</p>
<p>23. After it makes the recommended regulatory changes to allow extensions under exceptional circumstances, Education should review LEAs' extensions to investigations as part of its Federal Program Monitoring to ensure that LEAs' documentation is sufficient and that their reasons adequately justify such extensions.</p>	<p>Department of Education</p>	<p>Pending</p>
<p>24. To ensure that all charter schools comply with state law and regulations related to the UCP, to the extent a charter school engages in programs that are subject to UCP, Education should by July 2017 include LEA-authorized charter schools as part of its selection of LEAs when conducting Federal Program Monitoring reviews.</p>	<p>Department of Education</p>	<p>Fully Implemented</p>
<p>25. To ensure that all charter schools comply with state law and regulations related to the UCP, to the extent a charter school engages in programs that are subject to UCP, San Diego Unified should by June 2017 establish procedures to include a review of translation requirements during its monitoring of UCP policies, procedures, and complaint forms at its charter schools.</p>	<p>San Diego Unified School District</p>	<p>Fully Implemented</p>
<p>26. To ensure that all charter schools comply with state law and regulations related to the UCP, to the extent a charter school engages in programs that are subject to UCP, Los Angeles Unified should by June 2017 revise its review procedures to verify that all charter schools' policies and procedures meet the requirements of UCP regulations, including required content, during its monitoring reviews. Los Angeles Unified should implement these revised procedures for oversight beginning in the 2017-18 school year.</p>	<p>Los Angeles Unified School District</p>	<p>Fully Implemented</p>
<p>27. To ensure it examines sufficient review samples to detect LEAs' noncompliance with UCP laws and regulations, Education should revise its UCP monitoring criteria by July 2017 to increase its random selection of complaint files at each LEA to a minimum of 10 percent or 10 complaint files, whichever is greater.</p>	<p>Department of Education</p>	<p>Fully Implemented</p>
<p>28. Education should revise UCP regulations to formally establish uniform time limits for filing all types of complaints.</p>	<p>Department of Education</p>	<p>Pending</p>
<p>29. To ensure it complies with its UCP procedures, San Diego Unified should by March 2017 establish additional measures to verify it sends its final investigation reports in the languages in which the complainants submit their complaints.</p>	<p>San Diego Unified School District</p>	<p>Fully Implemented</p>

**Report Number 2016-114****College Readiness of California's High School Students: The State Can Better Prepare Students for College by Adopting New Strategies and Increasing Oversight (February 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. If the Legislature wishes to further prioritize students' completion of college preparatory coursework, it should help ensure grade nine students are ready for the challenge of such work by devoting additional resources or reallocating existing resources for educational efforts beginning in kindergarten and continuing through grade eight, particularly to support math and English college readiness. Funding mechanisms similar to the College Readiness Block Grant could help better prepare kindergarten through grade eight students for the rigors of college preparatory coursework in high school.	Legislature	No Action Taken
2. To ensure that school districts (districts) throughout the State comply with existing law, the Legislature should require districts to conduct analyses to verify that all high school students receive acceptable levels of access to the full range of college preparatory coursework. If the Legislature decides to require these analyses, it should also consider whether additional funding may be necessary to support the districts' associated administrative costs. If implemented, the analyses should require the following components: <ul style="list-style-type: none"> <li>• Districts should report the results of their analyses to Education.</li> <li>• Education should issue an annual report to the Legislature detailing all districts with high schools that have failed to demonstrate sufficient access.</li> </ul>	Legislature	No Action Taken
3. To increase students' access to and completion rates of college preparatory coursework, districts should develop and institute an on track/off track student identification model similar to San Francisco's model that will allow them to determine whether students are completing grade-level college preparatory coursework. The districts should notify parents when they identify students as falling off track and should advise the parents and students of available support and credit recovery options. Furthermore, school staff should be required to meet with and document the support they provide to these students.	Coachella Valley Unified School District	Pending
4. To increase students' access to and completion rates of college preparatory coursework, districts should develop and institute an on track/off track student identification model similar to San Francisco's model that will allow them to determine whether students are completing grade-level college preparatory coursework. The districts should notify parents when they identify students as falling off track and should advise the parents and students of available support and credit recovery options. Furthermore, school staff should be required to meet with and document the support they provide to these students.	Stockton Unified School District	Fully Implemented
5. To increase students' access to and completion rates of college preparatory coursework, districts should create a robust and stable network of credit recovery options that reflect the needs of their student populations. These options—which the districts should monitor for effectiveness—should include summer school courses and evening courses.	Coachella Valley Unified School District	Pending
6. To increase students' access to and completion rates of college preparatory coursework, districts should create a robust and stable network of credit recovery options that reflect the needs of their student populations. These options—which the districts should monitor for effectiveness—should include summer school courses and evening courses.	Stockton Unified School District	Fully Implemented
7. To increase students' access to and completion rates of college preparatory coursework, districts should create and institute a centralized process for submitting, managing, and tracking college preparatory courses and certification requests. This process should maximize the number of certified courses that the district offers. Further, to ensure that students receive appropriate credit for their college preparatory coursework, this process should match the University of California's (UC) course listings with each school's master schedule of courses.	Coachella Valley Unified School District	Pending

8. To increase students' access to and completion rates of college preparatory coursework, districts should create and institute a centralized process for submitting, managing, and tracking college preparatory courses and certification requests. This process should maximize the number of certified courses that the district offers. Further, to ensure that students receive appropriate credit for their college preparatory coursework, this process should match the UC's course listings with each school's master schedule of courses.	Stockton Unified School District	Resolved
9. To increase college preparatory completion rates, the Legislature should require Education or another state entity to coordinate statewide college readiness efforts focusing on increasing college preparatory completion rates.	Legislature	No Action Taken
10. To comply with existing law and ensure that students receive sufficient access to college preparatory coursework, Education should provide training and guidance to districts throughout the State on the creation and application of appropriate district- and school-level access analyses.	Department of Education	Fully Implemented
11. To ensure that high school graduates are eligible for admission to the State's public university systems, the Legislature should require county offices to monitor districts to determine whether they offer students adequate access to college preparatory coursework.	Legislature	No Action Taken
12. To ensure districts' accountability plans are accurate and informative, the Legislature should require county offices to review districts' accountability plans and monitor the actions the districts take to implement the goals in those plans.	Legislature	No Action Taken

**Report Number I2017-1**

**Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
24. California State University, San Diego should continue to collect repayment until the entire amount has been repaid.	California State University, San Diego	Fully Implemented
27. California State University, Fresno (Fresno State) should continue to implement the recommendations it made regarding the investigation. Specifically, Fresno State recommended that the library employee's supervisor and lead staff member identify alternative work that the library employee can complete while he is serving as the official library resource, instruct the library employee to limit his Internet use on his work computer during both breaks and lunch, identify online work-related training for the library employee to access during work time if he has completed all of his assigned work for that shift or has other available time during his work hours, and provide more direct supervision of the library employee to ensure that he uses his work time to benefit the needs of the library.	California State University, Fresno	Fully Implemented

**Report Number 2016-117**

**Alliance College-Ready Public Schools: The Nonprofit Did Not Spend Public Funds or Divert Classroom Resources in Response to Unionization Efforts (April 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure it complies with federal laws regarding student privacy, Alliance College-Ready Public Schools (Alliance) should document its revised process for collecting, tracking, and monitoring the list of Alliance students and families who have opted out of sharing their directory information with third parties.	Alliance College-Ready Public Schools	Fully Implemented
2. Alliance should standardize its data-sharing agreements so that each agreement contains robust and specific language regarding data security and the confidentiality of the data being shared.	Alliance College-Ready Public Schools	Fully Implemented

continued on next page...

3. The Alliance home office should update and formalize its procurement policies and procedures manual to establish competitive bidding thresholds for the procurement of goods and services, and it should provide adequate training to appropriate staff before the start of the 2017–18 school year.	Alliance College-Ready Public Schools	Fully Implemented
4. The Alliance home office should update and formalize its procurement policies and procedures manual to require both the Alliance home office and charter schools to retain contract records for at least five years, and it should provide adequate training to appropriate staff before the start of the 2017–18 school year.	Alliance College-Ready Public Schools	Fully Implemented
5. The Alliance home office should update and formalize its procurement policies and procedures manual to establish adequate segregation of duties for procurements to mitigate the risk of fraud and abuse, and it should provide adequate training to appropriate staff before the start of the 2017–18 school year.	Alliance College-Ready Public Schools	Fully Implemented
6. The Alliance home office should update and formalize its procurement policies and procedures manual to obtain and retain vendor conflict-of-interest forms, and it should provide adequate training to appropriate staff before the start of the 2017–18 school year.	Alliance College-Ready Public Schools	Fully Implemented

### Report Number 2016-122

#### California State University: Stronger Oversight Is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets (April 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To improve the oversight of California State University's (CSU) management personnel, the CSU Chancellor's Office (Chancellor's Office) should develop a policy that requires its own divisions and departments and campuses to prepare written justifications for both the purpose and specific number of proposed additional management positions. As appropriate, these should justify the number of management personnel positions to be hired based on a workload staffing analysis and the number of people to be supervised. The Chancellor's Office should also require human resources units to maintain these justifications and make them publicly available to stakeholders when requested. No later than one year following the issuance of this new policy, the Chancellor's Office should begin monitoring its own divisions and departments and campuses to ensure that they are properly justifying all new management personnel hires.	California State University	Resolved
2. To improve the oversight of CSU's management personnel, the Chancellor's Office should ensure that its own divisions and departments and campuses create, implement, and adhere to a written merit evaluation plan for management personnel in accordance with state regulations. Furthermore, the Chancellor's Office should monitor its own divisions and departments and campuses to ensure that they are complying with their merit evaluation plans and are granting raises to management personnel only based on merit as evidenced by current, documented performance evaluations.	California State University	Resolved
3. To improve the oversight of CSU's management personnel, the Chancellor's Office should work with campuses, bargaining unit representatives, the Public Employment Relations Board, and others as necessary to come to an agreement on the appropriate classification of coaches. The Chancellor's Office should take into account the concerns that San Diego State has raised about the labor market for these employees.	California State University	Pending
4. To improve its budget oversight of CSU, the Legislature should require CSU to submit an annual report that provides information on specific activities that CSU engaged in during the previous year to meet the State's goals for student success.	Legislature	Legislation Proposed But Not Enacted
5. To ensure effective, consistent budget oversight at CSU campuses, the Chancellor's Office should require campuses to develop and implement budget oversight policies that define the minimum level and frequency of reviews that budget managers are required to perform, including the periodic comparison of budgets to actual spending levels, the types of corrective actions to take when they identify budget anomalies, and the retention of appropriate records of those reviews.	California State University	Fully Implemented

6. To minimize concerns regarding possible conflicts of interest, the Chancellor's Office should work with the board to develop, approve, and implement an executive compensation policy that expressly prohibits the use of foundation funds to pay campus presidents.	California State University	Fully Implemented
7. To better ensure the reasonability of the reimbursements CSU pays for relocation and moving expenses, the Chancellor's Office should, by October 2017, place an appropriate cap on the amount it will reimburse CSU executives for relocation and moving expenses, based on either a dollar amount or a percentage of base salary. If the chancellor authorizes a reimbursement amount greater than this cap, the chancellor should submit a written explanation to the board to justify the payment.	California State University	Resolved
8. To better ensure the reasonability of the reimbursements CSU pays for relocation and moving expenses, the Chancellor's Office should, by October 2017, revise its policy to require campuses to place an appropriate cap on the amount they will reimburse campus staff for relocation and moving expenses, based on either a dollar amount or a percentage of base salary. If the campus president authorizes a reimbursement amount greater than this cap, the president should submit a written explanation to the chancellor to justify the payment.	California State University	Resolved
9. To better ensure the reasonability of the reimbursements CSU pays for relocation and moving expenses, the Chancellor's Office should, by October 2017, follow up with the campuses to ensure that they have sufficiently complied with its policy regarding the adoption of thresholds and caps for reimbursing staff for relocation and moving expenses and that those thresholds and caps are reasonable. If necessary, the Chancellor's Office should provide more exact guidance to the campuses on how to establish these thresholds and caps.	California State University	Fully Implemented
10. The Chancellor's Office should finish developing the Common Human Resources System and implement it as scheduled by December 2019.	California State University	Pending
11. Once it receives the results of its consultant's study on executive compensation, the Chancellor's Office should collaborate as soon as possible with interested parties, such as the Legislative Analyst's Office (LAO), to develop methodologies for future compensation comparisons that consider total compensation.	California State University	Pending
12. Within six months, the Chancellor's Office should revise its policy to clarify when campuses need to obtain indemnifications from management personnel who will be on paid administrative leave and should begin monitoring campuses to ensure that they are adhering to its policy.	California State University	Resolved
13. Within six months, the Chancellor's Office should begin monitoring campuses to ensure that they are complying with the faculty bargaining unit requirements for disclosing outside employment.	California State University	Resolved

**Report Number 2016-130**

***The University of California Office of the President: It Failed to Disclose Tens of Millions in Surplus Funds, and Its Budget Practices Are Misleading (April 2017)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that the UC Office of the President's actions align with the UC's primary mission, the Legislature should appropriate an amount directly to the Office of the President through the annual state budget process that eliminates the need for a campus assessment. Based on the Office of the President's actions as it implements its three-year plan, evaluate the amount of the direct appropriation annually. Once the Office of the President has completed the three-year plan, evaluate the necessity of a continued direct appropriation after assessing the strength of the Office of the President's new budget, accounting, and staffing policies, as well as its demonstrated commitment to ongoing transparency.	Legislature	Legislation Enacted

2. To ensure that the Office of the President's actions align with the UC's primary mission, the Legislature should, from the funds appropriated, require the UC Board of Regents (regents) to contract with an independent third party that can assist the regents in monitoring the three-year corrective action plan for the Office of the President. The Legislature should hold annual hearings that include a status report by the independent third party regarding the Office of the President's progress, challenges, and barriers to success in implementing the three-year corrective action plan.	Legislature	No Longer Necessary
3. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2018 the Office of the President should document and review the restrictions on its funds and fund commitments to determine whether it can reallocate any of these funds to its discretionary budget for eventual reallocation to campuses.	University of California	Fully Implemented
4. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2018 the Office of the President should develop a reserve policy that governs how large its reserves should be and the purposes for which they can be used.	University of California	Partially Implemented
5. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2018 the Office of the President should implement our recommended budget presentation shown in Figure 11 on page 40. Specifically, the Office of the President's budget presentation to the regents should include a comparison of its proposed budget to its actual expenditures for the previous year. It should also include all its expenditures and identify changes to the discretionary and restricted reserves. The Office of the President should combine both the disclosed and undisclosed budgets into one budget presentation.	University of California	Partially Implemented
6. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2018 the Office of the President should increase opportunities for campus stakeholder involvement in the budget development process by reconvening the campus budget committee and establishing an agreed-upon charter that describes the committee's scope, role, and protocol for reviewing and providing comments on the Office of the President's annual budget.	University of California	Fully Implemented
7. To ensure the ongoing accountability of the Office of the President, the regents should require it to implement our recommendations and report periodically on its progress.	University of California Board of Regents	Partially Implemented
8. To ensure that the Office of the President's spending aligns with the needs of campuses and students, the regents should hold a public meeting to discuss the results of the Office of the President's review of its fund restrictions and funding commitments, as well as its proposal to reallocate funds to campuses.	University of California Board of Regents	Fully Implemented
9. To ensure that the Office of the President's financial safeguards are adequate, the regents should require the Office of the President to engage in a financial audit of only the Office of the President's operations.	University of California Board of Regents	Partially Implemented
10. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2018 the Office of the President should develop a method for weighing comparable public and private sector pay data when establishing salaries for all positions.	University of California	Fully Implemented
11. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2018 the Office of the President should determine how to restructure salary ranges to make certain the ranges encourage employee development and ensure pay equity.	University of California	Fully Implemented
12. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2018 the Office of the President should evaluate and identify needed changes in employee benefit policies to ensure that they include reasonable safeguards to control costs.	University of California	Fully Implemented
13. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2018 the Office of the President should complete phase one of the California Department of Human Resources' (CalHR) best-practice workforce planning model by developing a strategic direction for its workforce plan.	University of California	Fully Implemented

<p>14. To ensure that the Office of the President's staffing levels are justified and that costs are reasonable and align with the needs of campuses and other stakeholders, the regents should require the Office of the President to implement our recommendations and report periodically on its progress.</p>	<p>University of California Board of Regents</p>	<p>Partially Implemented</p>
<p>15. To ensure that the Office of the President is engaging in a thorough review of its systemwide and administrative costs and implementing our recommendations, the regents should develop a contract for an independent third party that can assist the regents in monitoring implementation of the three-year corrective action plan for the Office of the President. The independent third party should have expertise in higher education, public administration, and public finance. Moreover, the independent third party should have complete access to the Office of the President's documentation and its staff so that it has sufficient and appropriate information to verify the Office of the President's actions. The independent third party should report to the regents on the Office of the President's progress, challenges, and barriers to success at least quarterly.</p>	<p>University of California Board of Regents</p>	<p>Partially Implemented</p>
<p>16. To ensure that the Office of the President is engaging in a thorough review of its systemwide and administrative costs and implementing our recommendations, the regents should hold a public meeting that includes UC stakeholders, including campuses and students, to discuss the purpose, intent, and prioritization of each systemwide and presidential initiative in light of campus funding levels for students. Require the Office of the President to publish the results of this meeting, including any systemwide or presidential initiatives that are eliminated or scaled down and the amount of money that will be reallocated to campuses for students.</p>	<p>University of California Board of Regents</p>	<p>Fully Implemented</p>
<p>17. To ensure that the Office of the President is engaging in a thorough review of its systemwide and administrative costs and implementing our recommendations, the regents should require the Office of the President to implement our recommendations and report periodically on its progress in doing so.</p>	<p>University of California Board of Regents</p>	<p>Partially Implemented</p>
<p>18. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2018 the Office of the President should develop and use a clear definition of systemwide initiatives and administration to ensure consistency in future budgets.</p>	<p>University of California</p>	<p>Fully Implemented</p>
<p>19. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2018 the Office of the President should develop a comprehensive list of systemwide initiatives and presidential initiatives, including their purpose and actual cost that will be used in the regents' meeting previously recommended.</p>	<p>University of California</p>	<p>Fully Implemented</p>
<p>20. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2019 the Office of the President should publish the results of its review of fund restrictions and fund commitments and identify any funds it anticipates reallocating to campuses.</p>	<p>University of California</p>	<p>Fully Implemented</p>
<p>21. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2019 the Office of the President should implement the best practices for budgeting identified by the Government Finance Officers Association (GFOA) and National Association of College and University Business Officers, including developing budget policies and procedures and formally documenting, approving, and justifying all one-time and unexpected expenditure requests.</p>	<p>University of California</p>	<p>Fully Implemented</p>
<p>22. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2019 the Office of the President should continue to present a comprehensive budget based on the presentation in Figure 11 to the regents, the Legislature, and the public.</p>	<p>University of California</p>	<p>Pending</p>
<p>23. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should set targets for any needed reductions to salary amounts using the results from its public and private sector comparison and adjust its salaries accordingly.</p>	<p>University of California</p>	<p>Pending</p>
<p>24. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should narrow its salary ranges.</p>	<p>University of California</p>	<p>Pending</p>

continued on next page...

25. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should set targets for appropriate employee benefits and implement new processes that ensure that employees adhere to the revised policies regarding employee benefits.	University of California	Partially Implemented
26. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should create a plan for reallocating funds that it saves to campuses as it reduces its staffing costs.	University of California	Pending
27. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2019 the Office of the President should implement phase two of CalHR's best-practice workforce planning model by determining its current and future staffing and competency gaps. As part of this phase, the Office of the President should consider the input of stakeholders, including campuses and students, regarding which elements of its organization are of critical importance and which elements it could eliminate or downsize.	University of California	Pending
28. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2019 the Office of the President should establish spending targets for systemwide initiatives and administrative costs.	University of California	Partially Implemented
29. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2019 the Office of the President should publish the results of the review of systemwide and presidential initiatives, including any funds the Office of the President anticipates reallocating to the campuses.	University of California	Fully Implemented
30. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2019 the Office of the President should restructure budget and accounting systems to ensure that the costs of the Office of the President can be clearly tracked and reported annually. Specifically, the budget and accounting systems should be able to distinguish between systemwide initiatives, presidential initiatives, and administrative costs.	University of California	Pending
31. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2020 the Office of the President should reallocate to the campuses funds that it identified during its review of fund restrictions and fund commitments.	University of California	Pending
32. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2020 the Office of the President should evaluate its budget process to ensure that it is efficient and has adequate safeguards that ensure that staff approve and justify all budget expenditures. If the Office of the President determines that its safeguards are sufficient, it should begin developing a multiyear budget plan.	University of California	Pending
33. To determine the amount of money that it can reallocate to campuses and to ensure that it publicly presents comprehensive and accurate budget information, by April 2020 the Office of the President should report to the regents on the amount of funds it reallocated to campuses as a result of implementing our recommendations.	University of California	Pending
34. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should adjust its salary levels and ranges to meet its established targets.	University of California	Pending
35. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should adjust its employee benefits to meet its established targets.	University of California	Fully Implemented
36. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should reallocate funds to campuses when adjustments to its salaries and benefits result in savings.	University of California	Pending
37. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should implement phase three of CalHR's best-practice workforce planning model by presenting the final workforce plan to its staff and beginning its implementation by carrying out workforce planning strategies covering a three-to five-year period. The Office of the President should make its final workforce plan publicly available.	University of California	Pending

38. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should implement phases four and five of CalHR's best practice workforce planning model by implementing its workforce plan strategies and annually evaluating the completed workforce plan strategies against defined performance indicators and revising the plan where necessary.	University of California	Pending
39. To ensure that its staffing costs align with the needs of campuses and other stakeholders, by April 2020 the Office of the President should report to the regents on the amount of funds it reallocates to campuses as a result of implementing our recommendations.	University of California	Pending
40. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2020 the Office of the President should publicly publish its progress in meeting systemwide initiative and administrative cost targets.	University of California	Pending
41. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2020 the Office of the President should reallocate funds from the review of systemwide and presidential initiatives, as well as any administrative cost savings, to campuses.	University of California	Pending
42. To ensure that its spending aligns with the needs of its stakeholders, including campuses and students, by April 2020 the Office of the President should report to the regents on the amount of funds reallocated to campuses.	University of California	Pending

**Report Number 2016-129**

***K-12 High Speed Network: Improved Budgeting, Greater Transparency, and Increased Oversight Are Needed to Ensure That the Network Is Providing Reliable Services at the Lowest Cost to the State (May 2017)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To help ensure continuous network operations while preserving state resources, the Legislature should appropriate to the K-12 High-Speed Network (K12HSN) program an amount that does not exceed \$10.4 million for fiscal year 2017–18. If the Legislature wishes to appropriate a lower amount for the program, it should direct the Imperial County Office of Education (ICOE) to modify one or more of the planned network upgrades we highlight in our report, either by delaying the upgrade to a subsequent fiscal year or by pursuing a less expensive option.	Legislature	Legislation Enacted
2. To better inform decision makers at the state level about the amount of funding necessary to operate and maintain the network, ICOE should formally amend its annual budget documents by November 2017 to specify multiple potential levels of network expenditures for the coming year, and it should detail the specific network upgrades and project costs included in each scenario. As part of this process, ICOE should also provide information about how these upgrades will affect the network's functionality.	Imperial County Office of Education	Fully Implemented
3. To ensure that its projected program costs are as accurate as possible, ICOE should institute by November 2017 a formal practice for reviewing its budget planning document against its current network design plans and correct any inaccuracies before finalizing and submitting its budget.	Imperial County Office of Education	Fully Implemented
4. To help ensure that the K12HSN program maintains the necessary amount of state funds in reserve, ICOE should prepare a formal methodology for a proposed equipment reserve that is based on the actual likelihood of equipment failure and the costs associated with replacing that equipment.	Imperial County Office of Education	Fully Implemented
5. To ensure that it is able to continue critical network services with reduced operating reserves, ICOE should establish procedures to routinely monitor the K12HSN program's cash balance and to evaluate upcoming costs. If at any point ICOE determines that it will be unable to fund its costs due to delayed subsidy payments, it should notify Education regarding the size and timing of the anticipated shortfall and postpone significant discretionary expenditures, such as upgrading network site equipment, until ICOE collects the subsidies it is owed.	Imperial County Office of Education	Fully Implemented

continued on next page...

<p>6. To better guarantee that network upgrades are necessary and are achieved at the lowest possible cost to the State, ICOE should develop a formal methodology for reviewing circuit capacity needs. This methodology should include consideration of multiyear trends in network traffic and the implications prospective upgrades may have for other parts of the network. Doing so would not only assist ICOE when determining the magnitude of circuit upgrades relative to the cost involved, but would also help ICOE determine whether it can delay upgrades until it can establish those upgrades' eligibility for E-Rate subsidies.</p>	Imperial County Office of Education	Fully Implemented
<p>7. To provide as many options for network upgrades as possible and to help ICOE provide the most cost-effective upgrade options without risking its eligibility for subsidies, ICOE should adopt the practice of requesting bids at all feasible levels of capacity upgrades as opposed to only those levels that represent a tenfold increase in circuit capacity.</p>	Imperial County Office of Education	Fully Implemented
<p>8. To help facilitate the review of circuit capacity needs, ICOE should maintain historical data for network traffic as long as technically feasible. It should also ensure that its monitoring software includes all network sites.</p>	Imperial County Office of Education	Fully Implemented
<p>9. To reduce the risk of having to react to large increases in network traffic, ICOE should formalize a process to include input from network site administrators during network upgrade planning.</p>	Imperial County Office of Education	Fully Implemented
<p>10. To increase transparency in the K12HSN program and help ensure that the State has sufficient information to measure the program's effectiveness, Education should direct ICOE to report annually on specific performance measures. These performance measures should include the following metrics:</p> <ul style="list-style-type: none"> <li>• Cost per unit of capacity used.</li> <li>• Network bandwidth.</li> <li>• Frequency, duration, cause, and location of network outages or interruptions.</li> <li>• Latency and packet loss on network circuits.</li> </ul> <p>Education should stipulate that the receipt of grant funds is conditional based on the recipient's agreement to provide these measures and other information deemed necessary by Education, either on request or at regular intervals determined by Education. If Education believes that it does not currently have legal authority to direct ICOE to report on this information, it should seek legislative change to obtain that authority.</p>	Department of Education	Fully Implemented
<p>11. To better support future reporting efforts for the K12HSN program, ICOE should amend its contract with the Corporation for Education Network Initiatives in California (CENIC) to require CENIC to report on specific network performance measures, including the frequency, cause, location, and duration of network outages or interruptions.</p>	Imperial County Office of Education	Fully Implemented
<p>12. To ensure that the K12HSN program receives all of the service credits to which it is entitled, ICOE should amend its contract with CENIC to clarify CENIC's responsibilities in this area, including reporting to ICOE about network outages or interruptions and requests for credits to service providers, along with the outcomes of those requests.</p>	Imperial County Office of Education	Fully Implemented
<p>13. To ensure efficient use of state funds, ICOE should conduct a cost and benefit analysis of its memorandum of understanding with the Butte County Office of Education to determine whether it represents the most cost-effective approach to providing the program activities it covers.</p>	Imperial County Office of Education	Fully Implemented

**Report Number 2016-139**

**California Department of Education: It Has Not Ensured That School Food Authorities Comply With the Federal Buy American Requirement (July 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To strengthen its administrative reviews and help ensure that school food authorities comply with the federal Buy American requirement, Education should update its written procedures to include a requirement that reviewers collect and retain evidence for all items they evaluate for compliance with the Buy American requirement. This update should occur no later than October 1, 2017.	Department of Education	Will Not Implement
2. To strengthen its administrative reviews and help ensure that school food authorities comply with the Buy American requirement, Education should update its written procedures to include guidance for how its reviewers should interpret common food labels with regard to compliance with the Buy American requirement. It should develop this guidance in consultation with the United States Department of Agriculture (USDA) and should begin working with the USDA by no later than October 1, 2017.	Department of Education	Fully Implemented
3. To comply with federal regulations and provide transparency to the public, Education should immediately post to its website a summary of the results of any administrative reviews that it has shared with the relevant school food authorities. Moving forward, it should comply with federal regulations by posting the results of administrative reviews to its website within 30 days of sharing them with school food authorities.	Department of Education	Fully Implemented
4. To ensure that school food authorities comply with the Buy American requirement, Education should develop, no later than December 31, 2017, a training course that explains to school food authorities how to comply with the Buy American requirement. Further, as soon as it develops this training, Education should make it available to all school food authorities.	Department of Education	Fully Implemented
5. To ensure that school food authorities comply with the Buy American requirement, Education should use procurement reviews or its administrative reviews to verify that school food authorities have policies and procedures that address the Buy American requirement. Further, Education should verify that these policies and procedures align with the USDA's guidance for including Buy American-related language in bid solicitations and contract documents and for maintaining exception documentation for foreign-sourced food purchases.	Department of Education	Fully Implemented
6. To help ensure that they consistently comply with the Buy American requirement, Elk Grove Unified School District should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following: <ul style="list-style-type: none"> <li>• An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts.</li> <li>• A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products.</li> <li>• A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time.</li> <li>• Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions.</li> </ul>	Elk Grove Unified School District	Fully Implemented

<p>7. To help ensure that they consistently comply with the Buy American requirement, Fresno Unified School District should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> <li>• An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts.</li> <li>• A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products.</li> <li>• A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time.</li> <li>• Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions.</li> </ul>	Fresno Unified School District	Fully Implemented
<p>8. To help ensure that they consistently comply with the Buy American requirement, Los Angeles Unified should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> <li>• An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts.</li> <li>• A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products.</li> <li>• A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time.</li> <li>• Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions.</li> </ul>	Los Angeles Unified School District	Fully Implemented
<p>9. To help ensure that they consistently comply with the Buy American requirement, San Diego Unified should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> <li>• An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts.</li> <li>• A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products.</li> <li>• A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time.</li> <li>• Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions.</li> </ul>	San Diego Unified School District	Fully Implemented
<p>10. To help ensure that they consistently comply with the Buy American requirement, San Francisco Unified School District should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> <li>• An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts.</li> <li>• A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products.</li> <li>• A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time.</li> <li>• Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions.</li> </ul>	San Francisco Unified School District	†

<p>11. To help ensure that they consistently comply with the Buy American requirement, Stockton Unified School District should establish written policies and procedures related to the Buy American requirement by October 1, 2017. At a minimum, those policies and procedures should include the following:</p> <ul style="list-style-type: none"> <li>• An explanation of how it will ensure that it consistently includes language related to the Buy American requirement in its bid solicitation documents and contracts.</li> <li>• A minimum expectation for how regularly it will verify that food items its vendors provide are domestic commodities or products.</li> <li>• A requirement that its staff identify the need to purchase foreign-sourced items as early as possible in the food purchasing process and that they begin documenting the justification for such exceptions to the Buy American requirement at that time.</li> <li>• Guidance for how it will maintain documentation showing that its purchases of foreign-sourced food items meet one of the two allowable exceptions.</li> </ul>	<p>Stockton Unified School District</p>	<p>Partially Implemented</p>
<p>12. To ensure effective oversight of the meal programs and to increase public transparency, the Legislature should require Education to track school food authorities' purchases of foreign-sourced food items and to post to its website the school food authorities that purchase foreign-sourced food items, the types of food items they purchase, and the countries of origin of the food items they purchase.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>13. To address the challenges food labels present to ensuring that California's school food authorities purchase domestic food items, the Legislature should work with the California congressional delegation and request that Congress direct the USDA to establish a voluntary certification program through which the USDA could certify that food products are compliant with the Buy American requirement. This certification program should include an indicator, such as a certification logo, that would identify that products comply with the requirement.</p>	<p>Legislature</p>	<p>No Action Taken</p>

**Report Number 2016-125.1**

***The University of California Office of the President: It Has Not Adequately Ensured Compliance With Its Employee Displacement and Services Contract Policies (August 2017)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To ensure that the UC maximizes the use of competition, the Legislature should revise the Public Contract Code to specify the conditions under which the UC may amend contracts without competition.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>2. To ensure that the UC maximizes the use of competition, the Legislature should revise the Public Contract Code to narrowly define the professional and personal services that the UC may exempt from competitive bidding.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>3. To ensure that UC locations adequately justify the necessity of contracts that will displace UC employees, the Office of the President should actively enforce compliance with the displacement guidelines by monitoring UC locations for compliance, providing regular training on the displacement guidelines to UC locations, and amending the displacement guidelines to state that the Office of the President's human resources department has the authority to approve or reject displacement decisions.</p>	<p>University of California</p>	<p>Fully Implemented</p>
<p>4. To ensure that UC locations adequately justify the necessity of contracts that will displace UC employees, the Office of the President should revise contracting policies to address situations in which UC locations are contemplating entering into services contracts instead of hiring UC employees to perform an activity. In these situations, the Office of the President should require UC locations to perform an analysis that is similar to the one it requires when current UC employees are displaced.</p>	<p>University of California</p>	<p>Fully Implemented</p>
<p>5. To ensure that UC locations adequately justify the necessity of contracts that will displace UC employees, the Office of the President should ensure that staff with the necessary business and financial skills at the Office of the President review and approve the cost analyses that UC locations submit.</p>	<p>University of California</p>	<p>Fully Implemented</p>

6. To ensure that UC locations adequately justify the necessity of contracts that will displace UC employees, the Office of the President should revise the cost analysis requirements in the displacement guidelines to mitigate the risk of UC locations incorrectly estimating savings by requiring a threshold level of savings as part of their business and financial necessity analyses and requiring that UC locations periodically reevaluate the savings after the services contracts take effect to inform future contracting decisions.	University of California	Fully Implemented
7. To ensure that the UC achieves its goals of obtaining services at the lowest cost or best value and of providing vendors with fair access to contracting opportunities, the Office of the President should direct UC locations, including its own local procurement office, to implement controls to ensure staff better comply with the UC's contract manual's requirements for using standard terms and conditions, obtaining the proper contract approvals, and awarding of sole-source contracts.	University of California	Fully Implemented
8. To ensure that the UC achieves its goals of obtaining services at the lowest cost or best value and of providing vendors with fair access to contracting opportunities, the Office of the President should revise the UC's contract manual to incorporate the best practices found in the State Contracting Manual for limiting the use of amendments to repeatedly extend existing contracts.	University of California	Partially Implemented
9. To ensure that the UC achieves its goals of obtaining services at the lowest cost or best value and of providing vendors with fair access to contracting opportunities, the Office of the President should revise the UC's contract manual to narrow the exemption from competition to only selected professional services, similar to the State Contracting Manual.	University of California	Partially Implemented
10. To ensure that the UC achieves its goals of obtaining services at the lowest cost or best value and of providing vendors with fair access to contracting opportunities, the Office of the President should direct all UC locations to implement controls in their online procurement systems to prevent staff from avoiding the requirement to competitively bid a contract when individual purchases of the same good or service accumulate to \$100,000 or more within a fiscal year.	University of California	Fully Implemented
11. To help ensure that the UC will implement its central contract database for tracking and monitoring all UC contracts in a timely manner, the Office of the President should develop a detailed project implementation plan by October 2017 that outlines a schedule of the specific activities that will need to occur to complete this effort.	University of California	Fully Implemented
12. To maximize benefits from the systemwide procurement initiative and to ensure that the UC uses those benefits for its teaching, research, and public service missions, the Office of the President should direct all UC locations to provide better documentation to substantiate actual benefits they claim related to their procurement decisions.	University of California	Pending
13. To maximize benefits from the systemwide procurement initiative and to ensure that the UC uses those benefits for its teaching, research, and public service missions, the Office of the President should revise its guidance to ensure the benefits that UC locations claim result from only procurement-related activities.	University of California	Pending
14. To maximize benefits from the systemwide procurement initiative and to ensure that the UC uses those benefits for its teaching, research, and public service missions, the Office of the President should implement a process to centrally direct these benefits to ensure that UC locations use them to support the UC's core missions.	University of California	Will Not Implement
15. To maximize benefits from the systemwide procurement initiative and to ensure that the UC uses those benefits for its teaching, research, and public service missions, the Office of the President should study ways to measure actual procurement benefits—possibly focusing this effort on benefits from larger dollar amounts—and if such measurement is not possible, it should clearly disclose to the regents and the public that the amounts it reports are based on estimates.	University of California	Pending
16. To maximize benefits from the systemwide procurement initiative and to ensure that the UC uses those benefits for its teaching, research, and public service missions, the Office of the President should, if actual benefits are measurable, implement a process to monitor and report annually to the regents the estimated and actual benefits.	University of California	Pending

**Report Number 2016-125.2**

***The University of California Office of the President: Increasing Costs and Scheduling Delays Have Hampered the UCPATH Project and Originally Anticipated Savings Are Unlikely to Materialize (August 2017)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To ensure that they are able to exercise necessary oversight for the UC's significant information technology (IT) projects, the regents should develop status reporting standards for the Office of the President and all UC locations to follow by December 2017. Such reporting standards should apply to all UC information technology (IT) projects with more than a specified cost and, at a minimum, should establish the frequency with which the Office of the President and all UC locations must report to the regents. Such updates should occur at least three times per calendar year and coincide with regents' meetings to allow for oral discussion.</p>	University of California Board of Regents	Fully Implemented
<p>2. To ensure that they are able to exercise necessary oversight for the UC's significant IT projects, the regents should develop status reporting standards for the Office of the President and all UC locations to follow by December 2017. Such reporting standards should apply to all UC IT projects with more than a specified cost and, at a minimum, should establish the types of disclosures the Office of the President and all UC locations must present about each IT project including, but not limited to, changes in scope, projected cost, and schedule.</p>	University of California Board of Regents	Fully Implemented
<p>3. To ensure that they are able to exercise necessary oversight for the UC's significant IT projects, the regents should develop status reporting standards for the Office of the President and all UC locations to follow by December 2017. Such reporting standards should apply to all UC IT projects with more than a specified cost and, at a minimum, should establish the types of significant project risks the Office of the President and all UC locations must disclose. The updates should also describe the actions the Office of the President and all UC locations are taking to mitigate the risks and the potential effects of those risks on a project's cost, schedule, and scope.</p>	University of California Board of Regents	Fully Implemented
<p>4. To ensure that it fully reports the cost of the IT projects, the Office of the President should develop the cost reporting guidelines by December 2017 for UCPATH and other significant IT projects across all UC locations. These cost guidelines should identify cost categories at both the Office of the President and UC locations to ensure that the estimates capture and communicate all development and implementation costs. In addition, the Office of the President should produce cost reports to share with stakeholders at least quarterly.</p>	University of California	Fully Implemented
<p>5. To ensure that it consistently follows best practices related to project management, the Office of the President should develop and implement guidelines for IT project development by June 2018. The guidelines should apply to all IT projects undertaken by any UC location with a cost estimate of at least \$5 million or more and should include a means to assess schedules for reasonableness, and requirements for the creation and maintenance of an integrated schedule and resource plan for each project.</p>	University of California	Fully Implemented
<p>6. To ensure that it consistently follows best practices related to project management, the Office of the President should develop and implement guidelines for IT project development by June 2018. The guidelines should apply to all IT projects undertaken by any UC location with a cost estimate of at least \$5 million or more and should include requirements for rigorous change management processes that establish a means of assessing the implications of changes to a project's scope, cost, and schedule.</p>	University of California	Fully Implemented
<p>7. To ensure that it consistently follows best practices related to project management, the Office of the President should develop and implement guidelines for IT project development by June 2018. The guidelines should apply to all IT projects undertaken by any UC location with a cost estimate of at least \$5 million or more and should include procedurally sound requirements for identifying, reviewing, and resolving risks to a project.</p>	University of California	Fully Implemented

continued on next page...

8. To ensure that it consistently follows best practices related to project management, the Office of the President should develop and implement guidelines for IT project development by June 2018. The guidelines should apply to all IT projects undertaken by any UC location with a cost estimate of at least \$5 million or more and should include independent verification and validation services to oversee the technical aspects of project development.	University of California	Fully Implemented
9. The Office of the President should require that all UC locations follow best practices by ensuring that each location creates a deliverable expectations document for each IT contract similar to the documents the State's management framework describes. The Office of the President should establish this requirement by December 2017. The deliverable expectations document should, at a minimum, identify the deliverables for each milestone and define the scope, content, entrance criteria, acceptance criteria, and development schedule for each deliverable.	University of California	Fully Implemented

### Report Number 2016-136

#### *School Violence Prevention: School Districts, County Offices of Education, and the State Must Do More to Ensure That School Safety Plans Help Protect Students and Staff During Emergencies (August 2017)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that students and staff are prepared to respond to violent incidents on or near school sites, the Legislature should require that safety plans include procedures, such as lockdowns, recommended by federal and state agencies. The Legislature should also require schools to hold periodic training and drills on these procedures.	Legislature	No Action Taken
2. To ensure that districts and county office of education (county offices) are complying with state law each year, the Legislature should require Education to conduct an annual statewide survey to determine whether schools have submitted plans and whether those plans have been reviewed and approved by their respective district or county office. The Legislature should also require Education to issue an annual report detailing the survey's results.	Legislature	No Action Taken
3. To ensure that districts and county offices are complying with state laws related to safety plans, the Legislature should add a requirement to the Education Audit Appeals Panel audit guide for districts and county offices to receive audits of their approval of safety plans.	Legislature	No Action Taken
4. The Legislature should require that the partnership between Education and the California Department of Justice (Justice) periodically review safety plan requirements to ensure that the plans keep pace with evolving school environments and updated educational research.	Legislature	No Action Taken
5. To ensure that districts and county offices properly review and approve safety plans as required, Education should provide additional guidance regarding district and county office responsibilities under state law by updating and correcting the safety plan compliance checklist and making it available to all districts and county offices.	Department of Education	Fully Implemented
6. To ensure that districts and county offices properly review and approve safety plans as required, Education should provide additional guidance regarding district and county office responsibilities under state law by providing general direction to schools on what to include in their building disaster plans.	Department of Education	Fully Implemented
7. To ensure that districts and county offices properly review and approve safety plans as required, Education should provide additional guidance regarding district and county office responsibilities under state law by providing information on best practices similar to those we discuss in this report for monitoring and approving safety plans.	Department of Education	Fully Implemented
8. To ensure that districts, county offices, and schools receive guidance on a variety of safety issues and to comply with state law, Education and Justice should resume their partnership activities, as required by state law. Further, the partnership should update the 2002 handbook, "Safe Schools: A Planning Guide for Action," and distribute it to all districts and county offices. If Education or Justice determine the need for additional funds to implement the legislative recommendations or to reestablish the partnership's activities, they should request those funds from the Legislature.	Department of Education	Pending

10. To ensure that their schools' safety plans comply with state law and are submitted and approved on or before March 1 each year, the Kern, Placer, and San Bernardino county offices, and San Bernardino City Unified School District (San Bernardino Unified) should implement procedures to monitor and approve their schools' safety plans. The procedures should include the use of electronic document-tracking systems and safety plan templates.	Kern County Office of Education	Fully Implemented
11. To ensure that their schools' safety plans comply with state law and are submitted and approved on or before March 1 each year, the Kern, Placer, and San Bernardino county offices, and San Bernardino Unified should implement procedures to monitor and approve their schools' safety plans. The procedures should include the use of electronic document-tracking systems and safety plan templates.	Placer County Office of Education	Fully Implemented
12. To ensure that their schools' safety plans comply with state law and are submitted and approved on or before March 1 each year, the Kern, Placer, and San Bernardino county offices, and San Bernardino Unified should implement procedures to monitor and approve their schools' safety plans. The procedures should include the use of electronic document-tracking systems and safety plan templates.	San Bernardino County Superintendent of Schools	No Action Taken
13. To ensure that their schools' safety plans comply with state law and are submitted and approved on or before March 1 each year, the Kern, Placer, and San Bernardino county offices, and San Bernardino Unified should implement procedures to monitor and approve their schools' safety plans. The procedures should include the use of electronic document-tracking systems and safety plan templates.	San Bernardino City Unified School District	Fully Implemented

**Report Number I2017-2**

**Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
6. University of California, Davis, should require the professor to undergo travel reimbursement training that should focus specifically on appropriate and allowable expenses.	University of California, Davis	Fully Implemented

**Report Number 2016-141**

**Charter Schools: Some School Districts Improperly Authorized and Inadequately Monitored Out-of-District Charter Schools (October 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that districts obtain community support for charter schools that they authorize, the Legislature should amend state law to further clarify the conditions prospective charter schools must meet to qualify for the geographic exception. For example, the Legislature could clarify whether prospective charter schools qualify for the exception when their petitions indicate that they will serve primarily students residing outside the authorizing district's jurisdiction.	Legislature	No Action Taken
2. To ensure that districts obtain community support for charter schools that they authorize, the Legislature should amend state law to require any district that is considering authorizing an out of district charter school to notify the school's host district 30 days in advance of the board meeting at which the potential authorizing district is scheduled to make its authorization decision. The Legislature should also require the potential authorizing district to hold the public hearing within the host district's boundaries, notwithstanding restrictions in the State's Ralph M. Brown Act that would otherwise require the hearing to occur in the authorizing district.	Legislature	No Action Taken

3. To reduce the need for litigation between authorizing districts and host districts, the Legislature should establish an appeals process through which districts can resolve disputes related to establishing out of district charter schools.	Legislature	No Action Taken
4. To ensure charter school accountability, the Legislature should amend state law to require districts to strengthen their authorization processes by using the State Board of Education (State Education Board) criteria for evaluating charter school petitions.	Legislature	No Action Taken
5. To ensure charter school accountability, the Legislature should amend state law to require charter schools to report annually all of their school locations—including school sites, resource centers, and administrative offices—to their authorizers and Education.	Legislature	No Action Taken
6. To remove the financial incentive for districts to authorize out of district charter schools, the Legislature should amend state law to prohibit districts from charging fees for additional services above the actual cost of services provided.	Legislature	No Action Taken
7. To ensure that authorizers have adequate tools and guidance for providing effective financial oversight, the Legislature should require the State Education Board and Education to work with representatives from county offices of education, representatives from districts, and subject matter experts such as the Fiscal Crisis Management and Assistance Team, to either establish a committee or work with an existing committee to report to the Legislature recommendations on establishing a minimum reserve requirement for charter schools, defining criteria that would allow authorizers to revoke or deny renewal of schools' charters for financial mismanagement despite increases in academic achievement, and developing a template that authorizers can use to provide their charter schools with annual feedback on their financial condition.	Legislature	No Action Taken
8. To ensure that districts are aware of significant issues that may impact the out of district charter schools they authorize, the Legislature should amend state law to require each district to place a district representative as a nonvoting member on each out of district charter school's governing board and allow such a representative to attend all meetings of the charter school's governing board.	Legislature	No Action Taken
9. To ensure that charter schools improve the educational outcomes of their students, the Legislature should amend state law to require authorizers to annually assess whether their charter schools are meeting the academic goals established in their charters.	Legislature	No Action Taken
10. To make certain that it authorizes only qualified petitions, Acton-Agua Dulce Unified School District (Acton-Agua Dulce Unified) should revise its charter school authorization policy to require the documentation of its evaluation of charter school petitions. The district should present this documentation to its governing board for its consideration.	Acton-Agua Dulce Unified School District	Fully Implemented
11. To ensure that it has a method to hold charter schools accountable for their educational programs, Acton-Agua Dulce Unified should, as a best practice, strengthen its authorization process by using the State Education Board's criteria for evaluating petitions.	Acton-Agua Dulce Unified School District	No Action Taken
12. To ensure compliance with state law, Acton-Agua Dulce Unified should immediately establish a procedure to periodically review and update its charter school policy to include all of the requirements in state law.	Acton-Agua Dulce Unified School District	Partially Implemented
13. To ensure compliance with state law, Acton-Agua Dulce Unified should immediately review petitions to ensure they include all of the requirements in state law at the time of their approval.	Acton-Agua Dulce Unified School District	No Action Taken
14. To ensure compliance with state law, Acton-Agua Dulce Unified should immediately require its charter schools to submit material revisions when they add new locations.	Acton-Agua Dulce Unified School District	Fully Implemented
15. To ensure compliance with state law, Acton-Agua Dulce Unified should immediately track its actual costs for providing oversight and verify that its oversight fees do not exceed legal limits.	Acton-Agua Dulce Unified School District	No Action Taken
16. To better ensure effective oversight of their charter schools' finances, Acton-Agua Dulce Unified should develop written procedures for reviewing charter schools' financial information and conducting annual oversight visits. These procedures should include relevant requirements from memorandums of understanding with the charter schools and best practices.	Acton-Agua Dulce Unified School District	Fully Implemented

17. To better ensure effective oversight of its charter schools' finances, Acton-Agua Dulce Unified should develop written procedures for addressing financial concerns, such as a charter school's failure to meet the minimum reserve requirement established in the district's memorandum of understanding with the charter school.	Acton-Agua Dulce Unified School District	Fully Implemented
18. To better ensure effective oversight of its charter schools' finances, Acton-Agua Dulce Unified should place a district representative as a nonvoting member on each charter school's governing board.	Acton-Agua Dulce Unified School District	No Action Taken
19. To ensure that charter schools work toward the academic goals established in their charters, Acton-Agua Dulce Unified should adopt a policy requiring it to provide its charter schools with timely feedback and recommendations regarding academic performance.	Acton-Agua Dulce Unified School District	Fully Implemented
20. To ensure that charter schools work toward the academic goals established in their charters, Acton-Agua Dulce Unified should adopt an academic oversight policy that includes steps for working with charter schools with poor performance results.	Acton-Agua Dulce Unified School District	Partially Implemented
21. To ensure that charter schools work toward the academic goals established in their charters, Acton-Agua Dulce Unified should provide its charter schools with annual oversight reports on their academic performance.	Acton-Agua Dulce Unified School District	Fully Implemented
22. Acton-Agua Dulce Unified should maintain active memorandums of understanding with its charter schools that describe the district's oversight responsibilities and ensure the schools meet the measurable student outcomes to which they have agreed.	Acton-Agua Dulce Unified School District	Pending
23. To ensure that it has a method to hold charter schools accountable for their educational programs, Antelope Valley Union High School District (Antelope Valley Union) should, as a best practice, strengthen its authorization process by using the State Education Board's criteria for evaluating petitions.	Antelope Valley Union High School District	Fully Implemented
24. To ensure compliance with state law, Antelope Valley Union should immediately establish a procedure to periodically review and update its charter school policy to include all of the requirements in state law.	Antelope Valley Union High School District	Fully Implemented
25. To ensure compliance with state law, Antelope Valley Union should immediately review petitions to ensure they include all of the requirements in state law at the time of their approval.	Antelope Valley Union High School District	Fully Implemented
26. To ensure compliance with state law, Antelope Valley Union should immediately require its charter schools to submit material revisions when they add new locations.	Antelope Valley Union High School District	Fully Implemented
27. To ensure compliance with state law, Antelope Valley Union should immediately track its actual costs for providing oversight and verify that its oversight fees do not exceed legal limits.	Antelope Valley Union High School District	Fully Implemented
28. To better ensure effective oversight of its charter schools' finances, Antelope Valley Union should develop written procedures for reviewing charter schools' financial information and conducting annual oversight visits. These procedures should include relevant requirements from memorandums of understanding with the charter schools and best practices.	Antelope Valley Union High School District	Fully Implemented
29. To better ensure effective oversight of its charter schools' finances, Antelope Valley Union should develop written procedures for addressing financial concerns, such as a charter school's failure to meet the minimum reserve requirement established in the district's memorandum of understanding with the charter school.	Antelope Valley Union High School District	Fully Implemented
30. To better ensure effective oversight of its charter schools' finances, Antelope Valley Union should place a district representative as a nonvoting member on each charter school's governing board.	Antelope Valley Union High School District	Partially Implemented
31. To better ensure effective oversight of its charter schools' finances, Antelope Valley Union should provide charter schools with written feedback and recommendations for improving their financial operations after completing its financial reviews and annual oversight visits.	Antelope Valley Union High School District	Fully Implemented
32. To ensure that charter schools work toward the academic goals established in their charters, Antelope Valley Union should adopt a policy requiring it to provide its charter schools with timely feedback and recommendations regarding academic performance.	Antelope Valley Union High School District	Fully Implemented

33. To ensure that charter schools work toward the academic goals established in their charters, Antelope Valley Union should adopt an academic oversight policy that includes steps for working with charter schools with poor performance results.	Antelope Valley Union High School District	Fully Implemented
34. To ensure that charter schools work toward the academic goals established in their charters, Antelope Valley Union should provide its charter schools with annual oversight reports on their academic performance.	Antelope Valley Union High School District	Fully Implemented
35. Antelope Valley Union should maintain active memorandums of understanding with its charter schools that describe the district's oversight responsibilities and ensure the schools meet the measurable student outcomes to which they have agreed.	Antelope Valley Union High School District	Fully Implemented
36. To make certain that it authorizes only qualified petitions, New Jerusalem Elementary School District (New Jerusalem) should revise its charter school authorization policy to require the documentation of its evaluation of charter school petitions. The district should present this documentation to its governing board for its consideration.	New Jerusalem Elementary School District	Fully Implemented
37. To ensure that it has a method to hold charter schools accountable for their educational programs, New Jerusalem should, as a best practice, strengthen its authorization process by using the State Education Board's criteria for evaluating petitions.	New Jerusalem Elementary School District	Fully Implemented
38. To ensure compliance with state law, New Jerusalem should immediately establish a procedure to periodically review and update its charter school policy to include all of the requirements in state law.	New Jerusalem Elementary School District	Fully Implemented
39. To ensure compliance with state law, New Jerusalem should immediately review petitions to ensure they include all of the requirements in state law at the time of their approval.	New Jerusalem Elementary School District	Fully Implemented
40. To ensure compliance with state law, New Jerusalem should immediately require its charter schools to submit material revisions when they add new locations.	New Jerusalem Elementary School District	Fully Implemented
41. To ensure compliance with state law, New Jerusalem should immediately track its actual costs for providing oversight and verify that its oversight fees do not exceed legal limits.	New Jerusalem Elementary School District	Fully Implemented
42. To better ensure effective oversight of its charter schools' finances, New Jerusalem should develop written procedures for reviewing charter schools' financial information and conducting annual oversight visits. These procedures should include relevant requirements from memorandums of understanding with the charter schools and best practices.	New Jerusalem Elementary School District	Fully Implemented
43. To better ensure effective oversight of its charter schools' finances, New Jerusalem should develop written procedures for addressing financial concerns, such as a charter school's failure to meet the minimum reserve requirement established in the district's memorandum of understanding with the charter school.	New Jerusalem Elementary School District	Fully Implemented
44. To better ensure effective oversight of its charter schools' finances, New Jerusalem should place a district representative as a nonvoting member on each charter school's governing board.	New Jerusalem Elementary School District	Fully Implemented
45. To better ensure effective oversight of its charter schools' finances, New Jerusalem should provide charter schools with written feedback and recommendations for improving their financial operations after completing its financial reviews and annual oversight visits.	New Jerusalem Elementary School District	No Action Taken
46. To ensure that charter schools work toward the academic goals established in their charters, New Jerusalem should adopt a policy requiring it to provide its charter schools with timely feedback and recommendations regarding academic performance.	New Jerusalem Elementary School District	Fully Implemented
47. To ensure that charter schools work toward the academic goals established in their charters, New Jerusalem should adopt an academic oversight policy that includes steps for working with charter schools with poor performance results.	New Jerusalem Elementary School District	Fully Implemented
48. To ensure that charter schools work toward the academic goals established in their charters, New Jerusalem should provide its charter schools with annual oversight reports on their academic performance.	New Jerusalem Elementary School District	Pending
49. New Jerusalem should maintain active memorandums of understanding with its charter schools that describe the district's oversight responsibilities and ensure the schools meet the measurable student outcomes to which they have agreed.	New Jerusalem Elementary School District	Fully Implemented

**Report Number 2017-104**

**Montebello Unified School District: County Superintendent Intervention Is Necessary to Address Its Weak Financial Management and Governance (November 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that Montebello Unified School District (Montebello Unified) takes the steps necessary to prevent state intervention and regain its positive financial certification, the Los Angeles County Superintendent (county superintendent) should direct Montebello Unified to submit a corrective action plan to address the issues identified in this report including balancing its budget, amending and adhering to its hiring procedures, and establishing adequate safeguards to ensure that policies related to bond proceeds, conflicts of interest, and the approval of expenditures are implemented and followed.	Los Angeles County Office of Education	Pending
2. To ensure that Montebello Unified takes the steps necessary to prevent state intervention and regain its positive financial certification, the county superintendent should assist Montebello Unified in developing a plan to justify its workforce size and cost in terms of its current and projected enrollment, including evaluating the necessity of current staff levels and personnel costs.	Los Angeles County Office of Education	Pending
3. To ensure that Montebello Unified takes the steps necessary to prevent state intervention and regain its positive financial certification, the county superintendent should evaluate the necessity of executive positions and adjust executives' salaries based on an analysis of the number and cost of executives in comparable districts.	Los Angeles County Office of Education	Pending
4. To ensure that Montebello Unified takes the steps necessary to prevent state intervention and regain its positive financial certification, the county superintendent should ensure that Montebello Unified implements all of the recommendations detailed in the report.	Los Angeles County Office of Education	Pending
5. To improve its current financial condition and ensure future viability, Montebello Unified should within 60 days, revise its fiscal stabilization plan and make the necessary cuts to fund its ongoing commitments.	Montebello Unified School District	Pending
6. To improve its current financial condition and ensure future viability, Montebello Unified should create a robust budgeting process within 90 days using best practices of the GFAO to ensure Montebello Unified's ability to meet its priorities while maintaining the required level of reserves that buffers the district from drastic cuts in times of economic instability.	Montebello Unified School District	Pending
7. To improve its current financial condition and ensure future viability, Montebello Unified should within 90 days, implement an effective budget monitoring process with regular budget-to-actual comparisons. This process should include safeguards against spending in excess of budgeted expenditures and require advance board approval of such spending before it occurs. For example, Montebello Unified should require that the budget manager perform monthly reviews of budget-to-actual figures and provide detailed explanations to the board for any variances.	Montebello Unified School District	Pending
8. To ensure that Montebello Unified hires the most qualified executive and management staff, Montebello should immediately adhere to its policies for hiring classified employees, including screening candidates to ensure that they meet the minimum qualifications. Montebello Unified should also hold provisional employees to the same standards for minimum qualifications as its policy requires.	Montebello Unified School District	Pending
9. To ensure that Montebello Unified hires qualified classified employees, the personnel commission should, within 90 days, revise its policies to require the classified director to provide it with the education and work experience of any candidates on eligibility lists for high-ranking positions. It should also require the director of the personnel commission—the classified director—to provide it with a list of all provisional appointments, including information on how those employees meet the minimum qualifications.	Montebello Unified School District	Pending
10. To ensure that it does not violate state law, Montebello Unified should immediately adhere to its policies and ensure that provisional employees do not work more than the legal maximum number of days of service.	Montebello Unified School District	Pending

continued on next page...

11. To ensure that Montebello Unified hires executives who meet the minimum qualifications, it should verify that such individuals hold both an administrative and teaching credential before appointing them to a position of superintendent or assistant superintendent.	Montebello Unified School District	Fully Implemented
12. In order to rebuild trust with its community, Montebello should adhere to its policies for hiring certificated personnel and fill any vacant positions for executives through a competitive hiring process, including advertising the positions, screening to ensure that minimum qualifications are met, and interviewing to ensure that it hires and retains the most qualified and talented leaders.	Montebello Unified School District	Pending
13. To ensure that Montebello creates employee positions only when necessary, it should establish a policy within 30 days that requires a justification for why the district is creating a position. Additionally, in order to maintain transparency when creating new positions, Montebello should immediately begin to document its justifications.	Montebello Unified School District	Pending
14. To ensure that Montebello Unified hires qualified certificated and classified employees, within 90 days the board should revise its policies to require the superintendent or his or her designee to provide information to the board about recruitments for high-ranking employees. The board should consider, at a minimum, the following information when approving appointments: <ul style="list-style-type: none"> <li>• The number of initial applicants.</li> <li>• The number of candidates who passed the screening and interviewing steps.</li> <li>• The education and work experience of the final candidate recommended by the superintendent or designee.</li> </ul>	Montebello Unified School District	Pending
15. To ensure that Montebello Unified is making hiring decisions free of bias or favoritism, within 90 days it should strengthen its hiring policies related to nepotism and conflicts of interest for classified and certificated personnel to include the following: establishing restrictions on immediate family members being involved in the screening and interviewing processes and definitions of what types of personal relationships fall under the nepotism policy, which work relationships the nepotism policy applies to, and what factors to consider when evaluating the potential impact of a personal relationship.	Montebello Unified School District	Pending
16. To ensure that bond funds are spent appropriately, Montebello Unified should immediately ensure that its bond committee meets at least once per year.	Montebello Unified School District	Fully Implemented
17. To ensure that bond funds are spent appropriately, the Montebello Unified should immediately ensure that the bond committee member positions are filled.	Montebello Unified School District	Fully Implemented
18. To ensure that bond funds are spent appropriately, the Montebello Unified should immediately require that its contracted project manager provides detailed bond expenditure reports for all relevant bonds to the bond committee at least biannually.	Montebello Unified School District	Pending
19. To ensure that bond funds are spent appropriately, the Montebello Unified should immediately ensure that its contracted auditor delivers a timely bond audit and that Montebello Unified addresses the auditor's concerns and recommendations.	Montebello Unified School District	Pending
20. To ensure that staff who make or influence district decisions are free from perceived or actual conflicts of interest, Montebello Unified should immediately identify all positions whose incumbents make or influence district decisions and designate those not already identified in its conflict-of-interest policy.	Montebello Unified School District	Fully Implemented
21. To ensure that staff who make or influence district decisions are free from perceived or actual conflicts of interest, Montebello Unified should immediately require designated employees to file statements of economic interests and adhere to its conflict-of-interest policy.	Montebello Unified School District	Pending
22. To ensure that staff who make or influence district decisions are free from perceived or actual conflicts of interest, Montebello Unified should within 60 days, expand its policy to require all employees approving contracts or expenditures to be designated and file a statement of economic interests.	Montebello Unified School District	Fully Implemented
23. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should require employees whose salaries are funded by voter-approved bond proceeds to fill out detailed timesheets to demonstrate that they work on bond-related activities. Bond proceeds should only be used to pay the portion of the salary relating to bond-funded activities that is supported by the timesheet.	Montebello Unified School District	Pending

24. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should implement an inventory tracking system that allows it to know where its equipment is located. Montebello Unified should also periodically review its inventory listing to ensure that equipment is being properly used.	Montebello Unified School District	Pending
25. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should close the adult education fund's revolving fund account.	Montebello Unified School District	Fully Implemented
26. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should require all employees to obtain approval for overtime before performing any overtime work and to submit an explanation of tasks they completed during their overtime work when they submit their overtime timesheet for payment.	Montebello Unified School District	Pending
27. To ensure that Montebello Unified spends its funds for allowable and reasonable purposes, it should follow the procedures in its purchase card manual including requiring employees to submit receipts for all purchases made with the card. If in violation of the manual, suspend or cancel the employee's card privileges and require employees to reimburse the district for improper purchases.	Montebello Unified School District	Fully Implemented
28. To ensure that state adult education expenditures are reasonable and justified, the Montebello Unified Board of Education (board) should within one year develop a policy that requires adult education classes to meet specific minimum thresholds for class size. If classes do not meet these thresholds, the adult program must cancel the class.	Montebello Unified School District	Fully Implemented
29. To ensure that state adult education expenditures are reasonable and justified, the board should within one year require the adult program to annually report to the consortium and to the board on the accurate number of students in each class, number of hours taught, and cost of the class per student.	Montebello Unified School District	Pending
30. To improve the cash collection process, Montebello Unified should ensure that the adult program has adequate safeguards in place to minimize the risk of misuse of funds. It should specifically, within 60 days, implement policies and procedures that align with best practices for cash collection and cash deposits that include robust safeguards such as ensuring separation of duties in the cash collection process.	Montebello Unified School District	Fully Implemented
31. To ensure that state adult education funds are used in the most efficient and effective manner, the Los Angeles Regional Adult Education Consortium (consortium) should, within one year, complete an assessment of Montebello Unified's ability to meet the requirements of its adult education plan to determine whether its use of state funds has been effective. If Montebello Unified is found to be consistently ineffective, the consortium should immediately recalculate the adult program's fund allocation for the future.	Los Angeles Regional Adult Education Consortium	Partially Implemented
32. To ensure that state adult education funds are used in the most efficient and effective manner, the consortium should, within one year, develop policies and procedures to ensure the proper collection and reporting of enrollment, attendance, and expenditure data by consortium members. Periodically review enrollment, attendance, and expenditure data to ensure their accuracy.	Los Angeles Regional Adult Education Consortium	Partially Implemented

**Report Number 2017-102**

**California Community Colleges: The Colleges Reviewed Are Not Adequately Monitoring Services for Technology Accessibility, and Districts and Colleges Should Formalize Procedures for Upgrading Technology (December 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that all community colleges are complying with timeliness requirements, by June 2018, the Community Colleges Chancellor's Office should establish guidance for the colleges on tracking and monitoring their effectiveness in responding to students' requests for instructional materials in alternate media in a timely manner. At a minimum, this guidance should provide direction to all community colleges on establishing a time-frame goal for completing students' requests. The guidance should also provide direction to colleges for establishing procedures to track and periodically monitor their performance in promptly responding to requests, identify reasons for delays in responding to requests, and take action as needed to improve their timeliness in completing future requests.	Community Colleges Chancellor's Office	Fully Implemented

continued on next page...

2. To ensure that community colleges promptly address any complaints they receive related to alternate media requests and web accessibility, by June 2018, the Community Colleges Chancellor's Office should provide guidance to the community colleges on developing procedures to track and periodically review complaints received related to accessibility services, and to address any accessibility complaints in a timely fashion.	Community Colleges Chancellor's Office	Fully Implemented
3. To comply with statutory reporting requirements on its efforts to serve students with disabilities, by June 2018, the Community Colleges Chancellor's Office should establish and report on a system for evaluating state-funded programs and services for disabled students, including its gathering of outcome data, staff and student perceptions of program effectiveness, and data on the implementation of the program.	Community Colleges Chancellor's Office	Partially Implemented
4. To ensure that students with disabilities have equal access to instructional materials, by June 2018, the Community Colleges Chancellor's Office should develop guidance for the community colleges on periodically monitoring the accessibility of instructional materials and on providing training to all instructors in making their materials accessible to students with disabilities.	Community Colleges Chancellor's Office	Pending
5. To ensure that community colleges' websites comply with accessibility guidelines, by September 2018, the Community Colleges Chancellor's Office should provide guidance to colleges on establishing policies and procedures to monitor the accessibility of their websites. Additionally, by September 2018, the Community Colleges Chancellor's Office should provide guidance on best practices for colleges to use in preventing their websites from containing inaccessible information.	Community Colleges Chancellor's Office	Pending
6. To assist all community college districts and colleges in ensuring that they have consistent, transparent, and continuous implementation of their processes for upgrading and replacing IT equipment, by September 2018, the Community Colleges Chancellor's Office should issue guidance to the districts and community colleges on establishing written procedures for those processes.	Community Colleges Chancellor's Office	Fully Implemented
7. To assist all community colleges in increasing transparency of their shared governance decision-making processes, by September 2018, the Community Colleges Chancellor's Office should issue guidance to the community colleges on establishing procedures to document the attendees, input received, and agreements reached during department meetings, including those to consider technology equipment requests.	Community Colleges Chancellor's Office	Will Not Implement
8. To ensure that it is fulfilling requests for alternate media services from students with disabilities in a timely manner, by June 2018, Cerritos Community College District (Cerritos) should establish procedures for monitoring its timeliness in responding to such requests so that it can periodically review its performance in completing the requests. Specifically, Cerritos should record and track sufficient information to be able to review how long it takes to complete requests. Additionally, Cerritos should calculate the number of days it takes to complete requests, and periodically evaluate its performance against its time-frame goals.	Cerritos Community College District	Fully Implemented
9. To ensure that it promptly addresses any complaints it receives related to web accessibility and alternate media requests, by June 2018, Cerritos should establish procedures for tracking and reviewing complaints received related to accessibility and addressing complaints in a timely fashion.	Cerritos Community College District	Fully Implemented
10. To ensure that students with disabilities have equal access to instructional materials, by June 2018, Cerritos should develop procedures to monitor and periodically review the accessibility of instructional materials. For example, Cerritos could develop an accessibility checklist for instructors to complete when developing or selecting instructional materials, from which the college could periodically review a sample of course content to ensure that instructors completed the checklist and that the instructional materials comply with accessibility standards.	Cerritos Community College District	No Action Taken
11. To ensure that all instructors are aware of the accessibility standards for instructional materials, Cerritos should include in its next collective bargaining negotiations a requirement for instructors to periodically attend accessibility trainings.	Cerritos Community College District	No Action Taken
12. To ensure the consistent, transparent, and continuous implementation of processes for technology equipment upgrades and replacements, by June 2018, Cerritos should establish written procedures for those processes.	Cerritos Community College District	Fully Implemented
13. To ensure that its technology master plan supports the strategic goals of the district, Cerritos should update its master plan by June 2018, and should ensure that the plan includes detailed steps to accomplish its goals.	Cerritos Community College District	Pending

<p>14. To increase the transparency of its annual review process, by June 2018, Cerritos should establish procedures requiring its departments to document attendees, input received, and agreements reached during meetings to consider instructional technology equipment requests.</p>	<p>Cerritos Community College District</p>	<p>No Action Taken</p>
<p>15. To ensure that it is fulfilling requests for alternate media services from students with disabilities in a timely manner, by June 2018, Foothill-De Anza Community College District (De Anza) should establish procedures for monitoring its timeliness in responding to such requests so that it can periodically review its performance in completing the requests. Specifically, it should record and track sufficient information to be able to review how long it takes to complete requests. Additionally, De Anza should calculate the number of days it takes to complete requests, and periodically evaluate its performance against its time-frame goals. Further, to evaluate its performance, De Anza should establish a time-frame goal for completing alternate media requests.</p>	<p>Foothill-De Anza Community College District</p>	<p>Pending</p>
<p>16. To ensure that it promptly addresses any complaints it receives related to web accessibility and alternate media requests, De Anza should follow its new procedures for tracking and reviewing complaints related to accessibility.</p>	<p>Foothill-De Anza Community College District</p>	<p>†</p>
<p>17. To ensure that students with disabilities have equal access to instructional materials, by June 2018, De Anza should develop procedures to monitor and periodically review the accessibility of instructional materials. For example, De Anza could develop an accessibility checklist for instructors to complete when developing or selecting instructional materials, from which the college could periodically review a sample of course content to ensure that instructors completed the checklist and that the instructional materials comply with accessibility standards.</p>	<p>Foothill-De Anza Community College District</p>	<p>Pending</p>
<p>18. To ensure that its website complies with accessibility standards, by June 2018, De Anza should develop procedures to monitor website accessibility and incorporate steps to prevent instructors from publishing inaccessible content on the college's website. These procedures should include a tracking mechanism to demonstrate how many accessibility errors the college identifies and how long it takes to fix those errors.</p>	<p>Foothill-De Anza Community College District</p>	<p>Pending</p>
<p>19. To ensure that all instructors are aware of the accessibility standards for instructional materials, De Anza should include in its next collective bargaining negotiations a requirement for instructors to periodically attend accessibility trainings.</p>	<p>Foothill-De Anza Community College District</p>	<p>Pending</p>
<p>20. To ensure the consistent, transparent, and continuous implementation of processes for technology equipment upgrades and replacements, by June 2018, the Foothill-De Anza district should establish written procedures for those processes.</p>	<p>Foothill-De Anza Community College District</p>	<p>Fully Implemented</p>
<p>21. To increase the transparency of its annual review process, by June 2018, De Anza should establish procedures requiring its departments to document attendees, input received, and agreements reached during meetings to consider instructional technology equipment requests.</p>	<p>Foothill-De Anza Community College District</p>	<p>Pending</p>
<p>22. To ensure that it is fulfilling requests for alternate media services from students with disabilities in a timely manner, by June 2018, Los Rios Community College District (American River) should establish procedures for monitoring its timeliness in responding to such requests so that it can periodically review its performance in completing the requests. Specifically, American River should calculate the number of days it take to complete requests, and periodically evaluate its performance against its time-frame goals.</p>	<p>Los Rios Community College District</p>	<p>Fully Implemented</p>
<p>23. To ensure that it promptly address any complaints it receives related to web accessibility and alternate media requests, by June 2018, American River should establish procedures for tracking and reviewing complaints received related to accessibility and addressing complaints in a timely fashion.</p>	<p>Los Rios Community College District</p>	<p>Fully Implemented</p>
<p>24. To ensure that students with disabilities have equal access to instructional materials, by June 2018, American River should develop procedures to monitor and periodically review the accessibility of instructional materials. For example, American River could develop an accessibility checklist for instructors to complete when developing or selecting instructional materials, from which the college could periodically review a sample of course content to ensure that instructors completed the checklist and that the instructional materials comply with accessibility standards.</p>	<p>Los Rios Community College District</p>	<p>Pending</p>

25. To ensure that its website complies with accessibility standards, by June 2018, American River should develop procedures to monitor website accessibility and incorporate steps to prevent instructors from publishing inaccessible content on the college's website. These procedures should include a tracking mechanism to demonstrate how many accessibility errors the college identifies and how long it takes to fix those errors.	Los Rios Community College District	Pending
26. To ensure that all instructors are aware of the accessibility standards for instructional materials, American River should include in its next collective bargaining negotiations a requirement for instructors to periodically attend accessibility trainings.	Los Rios Community College District	Will Not Implement
27. To ensure the consistent, transparent, and continuous implementation of processes for technology equipment upgrades and replacements, by June 2018, the Los Rios district and American River should each establish written procedures for those processes.	Los Rios Community College District	Pending
28. To ensure that it fully implements its technology master plan, by June 2018, American River should establish an implementation plan with detailed steps for achieving the goals in its technology master plan that it has not yet accomplished. Further, it should develop an implementation plan in conjunction with the development of its future technology master plan.	Los Rios Community College District	Pending
29. To increase the transparency of its annual review processes, by June 2018, American River should establish procedures requiring its departments to document attendees, input received, and agreements reached during meetings to consider instructional technology equipment requests.	Los Rios Community College District	Pending

### Report Number 2017-116

#### *Community Child Care Council of Santa Clara County: Because It Disadvantaged Some Families and Misused State Funds, It Could Benefit From Increased Monitoring by the California Department of Education (April 2018)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that families have sufficient time to respond to notices regarding eligibility, Community Child Care Council of Santa Clara County (4Cs) should establish specific controls in its child-care data system by July 2018 to prevent staff from backdating the notification dates of the notices, and it should begin conducting periodic reviews of notification dates in the data system by October 2018 to ensure that the controls are effective.	Community Child Care Council of Santa Clara County	Partially Implemented
2. To ensure that families understand how to elevate appeals to Education, 4Cs should amend its notice forms and its handbook by October 2018 to consistently describe additional means for contacting Education beyond a mailing address and fax number, such as a telephone number, an email address, and a link to Education's website for online information about reporting appeals.	Community Child Care Council of Santa Clara County	Partially Implemented
3. To ensure that it is processing all provider payments promptly, 4Cs should formalize policies by October 2018 that address communication between its subsidy department and fiscal department regarding provider payments. These policies should be clearly communicated to both departments and provide a way for staff to be held accountable for late communications resulting in delayed payments to providers.	Community Child Care Council of Santa Clara County	Fully Implemented
4. To make its appeal process more accessible to families who may not receive a satisfactory resolution from its contractors, Education should, by October 2018, require that its contractors share key information in their communications with families about the process for appealing notices. The required information should include valid grounds for a family to file an appeal as well as information or documentation Education would need in order to review the family's appeal of adverse decisions regarding their child-care services. Education should also require contractors to incorporate this information into contractually mandated staff training and into publicly available policies and procedures.	Department of Education	Will Not Implement
5. To ensure that it can justify the costs for which it seeks reimbursement, 4Cs should, by October 2018, strengthen its controls over its approval of the expenditures it charges to the State's share of its funding. These controls should include retention of all documentation to justify appropriate approval of these expenditures.	Community Child Care Council of Santa Clara County	Fully Implemented

6. To ensure that the amount of benefits it provides to families is justifiable, 4Cs should develop formal procedures by October 2018 for its eligibility determinations, including a policy to retain in the family case files the documentation it uses to determine eligibility.	Community Child Care Council of Santa Clara County	Fully Implemented
7. To ensure that staff possess the required knowledge and skills to assist families with child-care programs, 4Cs should develop and implement procedures by October 2018 to identify staff training needs and create orientation and training plans to meet those needs.	Community Child Care Council of Santa Clara County	Fully Implemented
8. To ensure effective child-care programs, 4Cs should document separate self-evaluation and monitoring procedures for each child-care program when it prepares its future self-evaluation documents. Each of these self-evaluation processes should demonstrate how it used stakeholder feedback to improve each program and monitor each program's effectiveness.	Community Child Care Council of Santa Clara County	Pending
9. In order to rectify 4Cs' inappropriate use of state funding, Education should, by October 2018, recalculate the amount of 4Cs' reimbursable costs based on the unallowable costs we identified and recover any funds that should be repaid.	Department of Education	Pending
10. After completing its performance audit in September 2018, Education should determine whether to conduct any follow-up reviews of 4Cs' administrative costs and whether it needs to expand its procedures for identifying questionable costs. In addition, Education should determine whether the results of its audit identify any systemic issues pertaining to administrative costs for which it should consider expanding its audit procedures over administrative costs claimed by its other child-care contractors.	Department of Education	Pending
11. To ensure that its contractors can effectively make program improvements and maintain successes in ways that are meaningful to their stakeholders, Education should adopt measures to ensure its contractors follow the terms of their contracts by demonstrating that their board members conduct a critical appraisal of each education program.	Department of Education	Will Not Implement
12. To strengthen the quality of its monitoring efforts, Education should create and implement procedures by October 2018 for staff to document the evidence used to support their contract monitoring reviews. Further, Education should use the results and evidence of compliance identified in these reviews to enhance its comparative performance measures and formulate effective training for its contractors.	Department of Education	Pending
13. To ensure that beneficiaries do not have restrictions limiting their ability to transfer their retirement funds, 4Cs should, by October 2018, move the funds for its primary and supplemental retirement plans out of the restrictive securities to the extent possible without incurring additional charges for beneficiaries. For any subsequent new participants, 4Cs should assign funds only to securities that do not have extensive charges associated with transferring or rolling over the funds.	Community Child Care Council of Santa Clara County	Pending
14. To ensure that its retirement plan participants can make appropriate financial planning decisions, 4Cs should provide the required disclosures in its retirement benefit statements, summary plan description, and annual report, and it should maintain documentation that it did so.	Community Child Care Council of Santa Clara County	Pending
15. To ensure the appropriate use of state grant funds, Education should determine, to the extent possible, the amount of supplemental plan funds that did not comply with federal requirements, and it should require 4Cs to reimburse the State for improper payments of state funds it made to the supplemental plan.	Department of Education	Pending
16. To ensure compliance with legal requirements and to promote a safe and responsible workplace, 4Cs should, by October 2018, create an anti-retaliation policy that specifically follows federal guidance on such policies. Additionally, 4Cs should update its policy manual and include federally recommended elements in its policy addressing unlawful harassment.	Community Child Care Council of Santa Clara County	Fully Implemented
17. To ensure that it maintains the integrity and impartiality of its human resources (HR) investigations, 4Cs should implement controls by October 2018 to ensure that it consistently follows its HR investigation process for all complaints, and it should maintain proper documentation of all actions taken.	Community Child Care Council of Santa Clara County	Fully Implemented

**Report Number 2017-119****California State University: It Has Not Provided Adequate Oversight of the Safety of Employees and Students Who Work With Hazardous Materials (April 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that it provides effective oversight of health and safety issues on the campuses, the Chancellor's Office should, by September 2018, review and identify all recommendations issued to the Chancellor's Office and the campuses from the University Auditor's systemwide audits of campus health and safety practices since 1994.	California State University	Fully Implemented
2. To ensure that it provides effective oversight of health and safety issues on the campuses, the Chancellor's Office should, using the information from recommendation 1, develop and implement a plan by January 2019 to ensure that the campuses have taken appropriate actions to comply with health and safety requirements.	California State University	†
3. To ensure that it provides effective oversight of health and safety issues on the campuses, the Chancellor's Office should, by November 2018, develop a uniform health and safety reporting template and require the campuses to use it to annually report information related to campus health and safety, including data regarding employee and student training and any other areas the Chancellor's Office considers critical to its oversight of health and safety compliance. In developing this reporting template, the Chancellor's Office should consider the information from its own health and safety-related audits as well as the findings and recommendations of this audit.	California State University	†
4. Once it has developed the health and safety reporting template and campuses have used it to submit their reports, the Chancellor's Office should assess the data and information in the reports to identify trends, risks, and best practices.	California State University	†
5. Once it has developed the health and safety reporting template and campuses have used it to submit their reports, the Chancellor's Office should develop recommendations for improving campus health and safety and follow up on the campuses' implementation of any corrective actions related to these recommendations.	California State University	†
6. Once it has developed the health and safety reporting template and campuses have used it to submit their reports, the Chancellor's Office should incorporate the risks identified in its assessments into the University Auditor's audit plan to ensure that the University Auditor evaluates problem areas related to campus health and safety.	California State University	†
7. Once it has developed the health and safety reporting template and campuses have used it to submit their reports, the Chancellor's Office should follow up with campuses that fail to submit the required annual health and safety reports and take appropriate steps to ensure compliance with this requirement.	California State University	†
8. To ensure that it identifies systemwide trends and makes appropriate recommendations to address health and safety issues, the Chancellor's Office should work with the appropriate union to form a systemwide joint committee, as agreed upon in its bargaining agreement with the union, by September 2018.	California State University	Fully Implemented
9. To ensure that it identifies systemwide trends and makes appropriate recommendations to address health and safety issues, the Chancellor's Office should ensure that the systemwide joint committee meets and fulfills its responsibilities in accordance with the bargaining agreement by actively working with the union on an ongoing basis.	California State University	†
10. To ensure the health and safety of employees working with hazardous materials, the Chancellor's Office should prescribe the frequency for which the campuses provide refresher laboratory safety training to employees.	California State University	†
11. To ensure that it receives feedback from employee representatives on conditions associated with their work environments and that it develops appropriate interventions, California State University, Channel Islands (Channel Islands) should ensure that its joint committee meets and fulfills its responsibilities in accordance with the bargaining agreement. If such committee does not exist, it should work with the union to form it by September 2018.	California State University, Channel Islands	†

<p>12. To ensure that it receives feedback from employee representatives on conditions associated with their work environments and that it develops appropriate interventions, California State University, Sacramento (Sacramento) should ensure that its joint committee meets and fulfills its responsibilities in accordance with the bargaining agreement. If such committee does not exist, it should work with the union to form it by September 2018.</p>	<p>California State University, Sacramento</p>	<p>†</p>
<p>13. To ensure that it receives feedback from employee representatives on conditions associated with their work environments and that it develops appropriate interventions, California State University, San Diego (San Diego) should ensure that its joint committee meets and fulfills its responsibilities in accordance with the bargaining agreement. If such committee does not exist, it should work with the union to form it by September 2018.</p>	<p>California State University, San Diego</p>	<p>†</p>
<p>14. To ensure that it receives feedback from employee representatives on conditions associated with their work environments and that it develops appropriate interventions, Sonoma State University (Sonoma State) should ensure that its joint committee meets and fulfills its responsibilities in accordance with the bargaining agreement. If such committee does not exist, it should work with the union to form it by September 2018.</p>	<p>Sonoma State University</p>	<p>Fully Implemented</p>
<p>15. To ensure that it receives feedback from employee representatives on conditions associated with their work environments and that it develops appropriate interventions, Channel Islands should ensure that its joint committee records meeting minutes and provides copies of the minutes and other information to the systemwide joint committee, as requested.</p>	<p>California State University, Channel Islands</p>	<p>†</p>
<p>16. To ensure that it receives feedback from employee representatives on conditions associated with their work environments and that it develops appropriate interventions, Sacramento should ensure that its joint committee records meeting minutes and provides copies of the minutes and other information to the systemwide joint committee, as requested.</p>	<p>California State University, Sacramento</p>	<p>†</p>
<p>17. To ensure that it receives feedback from employee representatives on conditions associated with their work environments and that it develops appropriate interventions, San Diego should ensure that its joint committee records meeting minutes and provides copies of the minutes and other information to the systemwide joint committee, as requested.</p>	<p>California State University, San Diego</p>	<p>†</p>
<p>18. To ensure that it receives feedback from employee representatives on conditions associated with their work environments and that it develops appropriate interventions, Sonoma should ensure that its joint committee records meeting minutes and provides copies of the minutes and other information to the systemwide joint committee, as requested.</p>	<p>Sonoma State University</p>	<p>†</p>
<p>19. To increase its oversight of chemical safety, Sacramento should establish a chemical committee consistent with its chemical plan requirements.</p>	<p>California State University, Sacramento</p>	<p>Fully Implemented</p>
<p>20. To increase its oversight of chemical safety, Sacramento should, by June 2018, specify how often the new chemical committee should meet and then ensure that it meets as frequently as required and that it proactively addresses issues related to chemical hygiene and safety on campus.</p>	<p>California State University, Sacramento</p>	<p>Fully Implemented</p>
<p>21. To increase its oversight of chemical safety, Sacramento should ensure that the new chemical committee records its meeting minutes and makes those minutes available to all employees.</p>	<p>California State University, Sacramento</p>	<p>Fully Implemented</p>
<p>22. To increase oversight of chemical safety, Sonoma should, by June 2018, specify in its chemical plan how often its chemical committee should meet.</p>	<p>Sonoma State University</p>	<p>Fully Implemented</p>
<p>23. To increase oversight of chemical safety, Sonoma should ensure that its chemical committee meets as frequently as required and that it proactively addresses issues related to chemical hygiene and safety on campus.</p>	<p>Sonoma State University</p>	<p>†</p>
<p>24. To increase oversight of chemical safety, Sonoma should ensure that its chemical committee records its meeting minutes and makes those minutes available to all employees.</p>	<p>Sonoma State University</p>	<p>Fully Implemented</p>

25. To more effectively provide oversight of its chemical plan, Channel Islands should annually evaluate its chemical plan for effectiveness and document the results of that evaluation, including its discussions of any recommended revisions.	California State University, Channel Islands	Fully Implemented
26. To more effectively provide oversight of its chemical plan, Sacramento should annually evaluate its chemical plan for effectiveness and document the results of that evaluation, including its discussions of any recommended revisions.	California State University, Sacramento	†
27. To more effectively provide oversight of its chemical plan, San Diego should annually evaluate its chemical plan for effectiveness and document the results of that evaluation, including its discussions of any recommended revisions.	California State University, San Diego	†
28. To more effectively provide oversight of its chemical plan, Sonoma should annually evaluate its chemical plan for effectiveness and document the results of that evaluation, including its discussions of any recommended revisions.	Sonoma State University	†
29. To ensure that it has a chemical plan that is up to date and reflects current campus practices, Sacramento should develop and implement a revised chemical plan by January 2019.	California State University, Sacramento	†
30. San Diego should ensure that its chemical plan clearly defines the campus entity or individual who is responsible for reviewing and evaluating the effectiveness of its chemical plan at least annually.	California State University, San Diego	Fully Implemented
31. To ensure that its chemical plan is updated to reflect current practices and changes to how the campus may have evolved, Sonoma should immediately update its chemical plan.	Sonoma State University	†
32. To ensure the health and safety of employees working with hazardous materials, Channel Islands should, by June 2018, review the training records of all employees who are required to take trainings related to laboratory safety, hazardous waste, hazard communication, or blood borne pathogens and identify those who have not taken these trainings.	California State University, Channel Islands	Fully Implemented
33. To ensure the health and safety of employees working with hazardous materials, Sacramento should, by June 2018, review the training records of all employees who are required to take trainings related to laboratory safety, hazardous waste, hazard communication, or blood borne pathogens and identify those who have not taken these trainings.	California State University, Sacramento	Fully Implemented
34. To ensure the health and safety of employees working with hazardous materials, San Diego should, by June 2018, review the training records of all employees who are required to take trainings related to laboratory safety, hazardous waste, hazard communication, or blood borne pathogens and identify those who have not taken these trainings.	California State University, San Diego	†
35. To ensure the health and safety of employees working with hazardous materials, Sonoma should, by June 2018, review the training records of all employees who are required to take trainings related to laboratory safety, hazardous waste, hazard communication, or blood borne pathogens and identify those who have not taken these trainings.	Sonoma State University	†
36. To ensure the health and safety of employees working with hazardous materials, Channel Islands should, by December 2018, make the required trainings available to employees and establish procedures for ensuring that the employees have received all required trainings.	California State University, Channel Islands	†
37. To ensure the health and safety of employees working with hazardous materials, Sacramento should, by December 2018, make the required trainings available to employees and establish procedures for ensuring that the employees have received all required trainings.	California State University, Sacramento	†
38. To ensure the health and safety of employees working with hazardous materials, San Diego should, by December 2018, make the required trainings available to employees and establish procedures for ensuring that the employees have received all required trainings.	California State University, San Diego	†
39. To ensure the health and safety of employees working with hazardous materials, Sonoma should, by December 2018, make the required trainings available to employees and establish procedures for ensuring that the employees have received all required trainings.	Sonoma State University	†

40. To ensure the health and safety of employees working with hazardous materials, Channel Islands should, going forward, regularly monitor employee training records to ensure that all employees have received the required trainings.	California State University, Channel Islands	†
41. To ensure the health and safety of employees working with hazardous materials, Sacramento should, going forward, regularly monitor employee training records to ensure that all employees have received the required trainings.	California State University, Sacramento	†
42. To ensure the health and safety of employees working with hazardous materials, San Diego should, going forward, regularly monitor employee training records to ensure that all employees have received the required trainings.	California State University, San Diego	†
43. To ensure the health and safety of employees working with hazardous materials, Sonoma should, going forward, regularly monitor employee training records to ensure that all employees have received the required trainings.	Sonoma State University	†
44. To ensure that employees working in a laboratory setting receive current information regarding laboratory safety, Channel Islands should provide periodic refresher laboratory safety training to these employees beginning in the Fall 2018 semester.	California State University, Channel Islands	†
45. To ensure the health and safety of students in a laboratory setting, Sacramento should, by June 2018, develop campuswide policies to ensure that its departments are accountable for providing student training on laboratory safety.	California State University, Sacramento	Fully Implemented
46. To ensure the health and safety of students in a laboratory setting, Channel Islands should work with appropriate faculty to develop student safety training acknowledgement forms by June 2018.	California State University, Channel Islands	†
47. To ensure the health and safety of students in a laboratory setting, Sacramento should work with appropriate faculty to develop student safety training acknowledgement forms by June 2018.	California State University, Sacramento	†
48. To ensure the health and safety of students in a laboratory setting, Sonoma should work with appropriate faculty to develop student safety training acknowledgement forms by June 2018.	Sonoma State University	†
49. To ensure the health and safety of students in a laboratory setting, beginning in the Fall 2018 semester, Channel Islands should require departments to have those students required to wear personal protective equipment (PPE) sign the student safety training acknowledgement forms to demonstrate that they have received proper laboratory safety training.	California State University, Channel Islands	†
50. To ensure the health and safety of students in a laboratory setting, beginning in the Fall 2018 semester, Sacramento should require departments to have those students required to wear PPE sign the student safety training acknowledgement forms to demonstrate that they have received proper laboratory safety training.	California State University, Sacramento	†
51. To ensure the health and safety of students in a laboratory setting, beginning in the Fall 2018 semester, San Diego should require departments to have those students required to wear PPE sign the student safety training acknowledgement forms to demonstrate that they have received proper laboratory safety training.	California State University, San Diego	†
52. To ensure the health and safety of students in a laboratory setting, beginning in the Fall 2018 semester, Sonoma should require departments to have those students required to wear PPE sign the student safety training acknowledgement forms to demonstrate that they have received proper laboratory safety training.	Sonoma State University	†
53. To ensure the health and safety of students in a laboratory setting, by May 2018, Sacramento should remind all departments to retain student training acknowledgment forms for at least three years after the end of classes.	California State University, Sacramento	Fully Implemented
54. To ensure the health and safety of students in a laboratory setting, by May 2018, San Diego should remind all departments to retain student training acknowledgment forms for at least three years after the end of classes.	California State University, San Diego	†
55. To ensure the health and safety of students in a laboratory setting, beginning in the Fall 2018 semester, Sacramento should perform reviews at least annually to ensure that all departments are using the student training acknowledgement forms and are complying with the retention requirement.	California State University, Sacramento	†

56. To ensure the health and safety of students in a laboratory setting, beginning in the Fall 2018 semester, San Diego should perform reviews at least annually to ensure that all departments are using the student training acknowledgement forms and are complying with the retention requirement.	California State University, San Diego	†
57. To ensure the health and safety of students in a laboratory setting, beginning in the Fall 2018 semester, Sonoma should perform reviews at least annually to ensure that all departments are using the student training acknowledgement forms and are complying with the retention requirement.	Sonoma State University	†
58. As part of the uniform health and safety-reporting template that we recommend that it develop, the Chancellor's Office should require campuses to annually report on the timeliness of their inspections of safeguards, engineering controls, and ventilation systems and identify the reasons for any delays.	California State University	†
59. Based on campuses annual reports on the timeliness of their inspections of safeguards, engineering controls, and ventilation systems, the Chancellor's Office should follow up with campuses that report untimely inspections and should require that the campuses develop action plans to ensure that they complete inspections as often as state regulations require.	California State University	†
60. To ensure compliance with state requirements to notify employees about the presence of asbestos, the Chancellor's Office should immediately remind all of its campuses that state regulations require posting signage at the entrances to mechanical rooms that contain asbestos.	California State University	Fully Implemented
61. To ensure compliance with state requirements to notify employees about the presence of asbestos, the Chancellor's Office should, by September 2018, ensure that campuses are compliant with the requirement to post warning signage at the entrances to mechanical rooms that contain asbestos.	California State University	†
62. Sacramento should monitor the implementation of its new processes for inspecting safeguards to ensure that it completes monthly flushes of eyewashes and showers as state regulations require.	California State University, Sacramento	†
63. Sacramento should immediately assess the health and safety risks in its art sculpture lab and take action to ensure that safeguards are readily accessible as state regulations require.	California State University, Sacramento	†
64. San Diego should immediately develop and implement a plan to ensure that it consistently completes its flushes of eyewashes and showers monthly as state regulations require.	California State University, San Diego	†
65. Sonoma should continue to implement and adhere to its plan to ensure that it flushes showers and eyewashes and that it inspects fire extinguishers monthly as state regulations require.	Sonoma State University	†
66. Sonoma should add preventative maintenance work orders to its work order system by September 2018 to ensure that it completes fume hood and biosafety cabinet inspections annually as state regulations require.	Sonoma State University	†
67. San Diego should continue to implement its new policy to regularly review open work orders to ensure that it closes work orders in a timely fashion.	California State University, San Diego	†
68. San Diego should immediately develop and implement a plan to ensure that it consistently completes its inspections of air handler units at least annually.	California State University, San Diego	†
69. By September 2018, Sonoma should begin using its work order management system to track and ensure preventative maintenance inspections of air handler units are completed at least annually.	Sonoma State University	†
70. Channel Islands should immediately begin following its policies to conduct departmental self-audits to identify and address safety concerns in its laboratories. Further, Channel Islands should amend its chemical plan to include specific expectations about how often departments and its Environmental Health and Safety (EH&S) office will conduct self-audits.	California State University, Channel Islands	Pending

71. Sonoma should immediately begin following its policies to conduct departmental self-audits to identify and address safety concerns in its laboratories. Further, Sonoma should ensure that its self-audits review whether timely flushes of eyewashes and showers have occurred. As part of self-audits, Sonoma's departments should ensure that fume hoods have received annual inspections. Finally, Sonoma's EH&S department should regularly review whether departments are conducting self-audits.	Sonoma State University	†
72. Sacramento should immediately begin following its policies to conduct departmental self-audits to identify and address safety concerns in its laboratories. Further, Sacramento should ensure that its self-audits review whether timely flushes of eyewashes and showers have occurred.	California State University, Sacramento	†
73. San Diego should ensure that it documents all self-audits it conducts, including when it does not identify any violations during the audit. Further, San Diego should continue to implement and follow its new process to include reviews of safeguard inspections as a part of its self-audits.	California State University, San Diego	†
74. San Diego should immediately ensure that the entrances to all mechanical rooms with asbestos or material presumed to contain asbestos have signage to inform employees about the presence of the hazardous substance.	California State University, San Diego	†
75. Sacramento should immediately ensure that the entrances to all mechanical rooms with asbestos or material presumed to contain asbestos have signage to inform employees about the presence of the hazardous substance.	California State University, Sacramento	Fully Implemented

**Report Number 2017-032**

**Clery Act Requirements and Crime Reporting: Compliance Continues to Challenge California's Colleges and Universities (May 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that it accurately reports Clery Act crime statistics, Berkeley City College, by working with its district, should by August 2018 enter into an updated memorandum of understanding with the Berkeley Police that outlines the process for compiling crime statistics and defines the responsibilities of both parties.	Berkeley City College	Fully Implemented
2. To ensure that its district provides it with policies and processes that the Clery Act and federal regulations require, Berkeley City College should develop and begin following a policy by August 2018 requiring that it periodically review the district's annual security reports or templates, as well as district policies. To the extent that it identifies any inaccurate information or missing policies, it should work with its district to make updates as necessary.	Berkeley City College	Fully Implemented
3. To ensure that its district provides it with policies and processes that the Clery Act and federal regulations require, West Los Angeles College (West LA) should develop and begin following a policy by August 2018 requiring that it periodically review the district's annual security reports or templates, as well as district policies. To the extent that it identifies any inaccurate information or missing policies, it should work with its district to make updates as necessary.	West Los Angeles College	Pending
4. Berkeley City College should develop and implement procedures by August 2018 that it will regularly review and adhere to applicable guidance related to the Clery Act to ensure that it develops or discloses all required policies.	Berkeley City College	Fully Implemented
5. Humboldt State University (Humboldt State) should develop and implement procedures by August 2018 that it will regularly review and adhere to applicable guidance related to the Clery Act to ensure that it develops or discloses all required policies.	Humboldt State University	Fully Implemented
6. West LA should develop and implement procedures by August 2018 that it will regularly review and adhere to applicable guidance related to the Clery Act to ensure that it develops or discloses all required policies.	West Los Angeles College	Pending

continued on next page...

7. To ensure the completeness of its daily crime log, Berkeley City College should develop and implement a policy by August 2018 that describes its process for maintaining the log and ensuring that it is adequately maintained by its security guards.	Berkeley City College	Fully Implemented
8. To ensure that it includes all criminal incidents in its daily crime logs, West LA should by December 2018 create and follow appropriate procedures, such as requiring supervisor review of entries or programming its records management systems to create the daily crime logs automatically.	West Los Angeles College	Fully Implemented
9. Berkeley City College should create and follow procedures by August 2018 to ensure that it includes all crimes in its daily crime log as it becomes aware of those crimes, such as when it receives crime reports from local law enforcement agencies.	Berkeley City College	Fully Implemented
10. To ensure that its campuses include all necessary policy disclosures in their annual security reports, the CSU Chancellor's Office should revise its systemwide annual security report template by August 2018 so that it directs its campuses to specifically include each of the policies that the Clery Act and federal regulations require.	California State University	Fully Implemented
11. To help ensure its institutions maintain complete and accurate information about crimes that occur on their properties, the CSU Chancellor's Office should issue a policy by August 2018 to specify the information its institutions should include in their daily crime logs.	California State University	Fully Implemented
12. To ensure that it does not underreport crime statistics in its annual security reports, Humboldt State should create and begin following written procedures by August 2018 that clearly describe the Clery Act crime identification processes it will follow. These processes should include maintaining contemporaneous lists of Clery Act crimes that occur.	Humboldt State University	Fully Implemented
13. To ensure that it does not overreport or misreport its crime statistics, Humboldt State should develop and begin following procedures by August 2018 to review and adhere to applicable guidance related to the Clery Act, including the OPE handbook, when categorizing the Clery Act crimes it reports.	Humboldt State University	Fully Implemented
14. To ensure that it does not underreport crime statistics in its annual security reports, Bakersfield College (Bakersfield) should create and begin following written procedures by August 2018 that clearly describe the Clery Act crime identification processes it will follow. These processes should include maintaining contemporaneous lists of Clery Act crimes that occur.	Bakersfield College	Partially Implemented
15. To ensure that it does not underreport crime statistics in its annual security reports, California State University, San José (San José) State should create and begin following written procedures by August 2018 that clearly describe the Clery Act crime identification processes it will follow. These processes should include maintaining contemporaneous lists of Clery Act crimes that occur.	California State University, San José	Fully Implemented
16. To ensure that it does not overreport or misreport its crime statistics, Bakersfield should develop and begin following procedures by August 2018 to review and adhere to applicable guidance related to the Clery Act, including the OPE handbook, when categorizing the Clery Act crimes it reports.	Bakersfield College	Fully Implemented
17. To ensure that it does not overreport or misreport its crime statistics, San José State should develop and begin following procedures by August 2018 to review and adhere to applicable guidance related to the Clery Act, including the OPE handbook, when categorizing the Clery Act crimes it reports.	California State University, San José	Fully Implemented
18. To ensure that it does not overreport its crime statistics, Azusa Pacific University (Azusa) should strengthen its procedures by August 2018 to review and adhere to applicable guidance related to the Clery Act, including the OPE handbook, when categorizing the Clery Act crimes it reports.	Azusa Pacific University	Fully Implemented
19. To ensure Bakersfield requests and reports Clery Act crimes from local law enforcement, the institution should by August 2018 create and begin following a procedure, in conjunction with a written agreement with local law enforcement, to obtain crime statistics for the annual security report.	Bakersfield College	Pending

20. To ensure that its district provides it with policies and processes that the Clery Act and federal regulations require, Bakersfield should develop and begin following a policy by August 2018 requiring that it periodically review the district's annual security reports or templates, as well as district policies. To the extent that it identifies any inaccurate information or missing policies, it should work with its district to make updates as necessary.	Bakersfield College	Fully Implemented
21. Bakersfield should develop and implement procedures by August 2018 that it will regularly review and adhere to applicable guidance related to the Clery Act to ensure that it develops or discloses all required policies.	Bakersfield College	Fully Implemented
22. San José State should develop and implement procedures by August 2018 that it will regularly review and adhere to applicable guidance related to the Clery Act to ensure that it develops or discloses all required policies.	California State University, San José	Fully Implemented
23. To ensure that it includes all criminal incidents in its daily crime logs, Azusa should by December 2018 create and follow appropriate procedures, such as requiring supervisor review of entries or programming its records management systems to create the daily crime logs automatically.	Azusa Pacific University	Fully Implemented
24. To ensure that it includes all criminal incidents in its daily crime logs, San José State should by December 2018 create and follow appropriate procedures, such as requiring supervisor review of entries or programming its records management systems to create the daily crime logs automatically.	California State University, San José	Fully Implemented
25. Bakersfield should create and follow procedures by August 2018 to ensure that it includes all crimes in its daily crime log as it becomes aware of those crimes, such as when it receives crime reports from local law enforcement agencies.	Bakersfield College	Fully Implemented
26. San José State should create and follow procedures by August 2018 to ensure that it includes all crimes in its daily crime log as it becomes aware of those crimes, such as when it receives crime reports from local law enforcement agencies.	California State University, San José	Fully Implemented
27. To help prevent errors during the next Clery Act reporting cycle, UC Office of the President should revise its Clery Act policy by August 2018 to include details on where institutions can find the specific disclosure requirements for their annual security reports.	University of California	Fully Implemented
28. Humboldt State should properly notify students of the availability of its annual security report.	Humboldt State University	Fully Implemented
29. Berkeley City College should retain documentation of Peralta's notification to its students demonstrating that Peralta appropriately notified the campus's community about the availability of its annual security report.	Berkeley City College	Fully Implemented
30. To ensure it properly informs students and employees, Humboldt State should notify its students and employees and update the U.S. Department of Education (U.S. DOE) about the corrected Clery Act statistics as soon as possible.	Humboldt State University	Fully Implemented
31. To ensure that its annual security report's crime statistics and the statistics it submits to the U.S. DOE align, Humboldt State should reconcile these statistics before publishing its reports or submitting the data to the U.S. DOE.	Humboldt State University	Fully Implemented
32. To ensure that its campuses provide the necessary resources and information to students about campus safety, Peralta should by December 2018, develop all required policies related to campus safety in compliance with the Education Code.	Peralta Community College District	†
33. To ensure that its campuses provide the necessary resources and information to students about campus safety, the Los Angeles Community College District should by December 2018, develop all required policies related to campus safety in compliance with the Education Code.	Los Angeles Community College District	Pending
34. To ensure it is fully compliant with the Education Code, the CSU Chancellor's Office should create and implement a procedure by December 2018 regarding the handling of requests for information regarding sexual assault incidents.	California State University	Pending
35. To ensure it properly informs students and employees, Bakersfield should notify its students and employees and update the U.S. DOE about the corrected Clery Act statistics as soon as possible.	Bakersfield College	Partially Implemented

36. To ensure that its annual security report's crime statistics and the statistics it submits to the U.S. DOE align, Bakersfield should reconcile these statistics before publishing its reports or submitting the data to the U.S. DOE.	Bakersfield College	Pending
37. To ensure that its campuses provide the necessary resources and information to students about campus safety, the Kern Community College District should by December 2018, develop all required policies related to campus safety in compliance with the Education Code.	Kern Community College District	Partially Implemented
38. To ensure that it provides accurate and comprehensive information to its students and employees, the UC Office of the President should by December 2018 revise its intolerance form to allow for reporters to include offender characteristics and provide to the public complete information regarding the occurrences of noncriminal acts of hate violence. Additionally, the UC Office of the President should by February 2019 more clearly address both stranger and nonstranger sexual assault within its policies.	University of California	Partially Implemented

### Report Number 2017-131

#### Hate Crimes in California: Law Enforcement Has Not Adequately Identified, Reported, or Responded to Hate Crimes (May 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
10. To ensure that they accurately identify and report hate crimes, San Francisco State University (SFSU) Police and LA Police should update their hate crime policies and procedures, and the Orange County Sheriff and Stanislaus County Sheriff should implement supplemental hate crime reports and require officers to use them.	San Francisco State University	Fully Implemented
12. To ensure accurate and complete reporting, LA Police and SFSU Police should provide sufficient guidance and oversight to their officers and staff so that they report all hate crimes to DOJ.	San Francisco State University	†

### Report Number 2017-125

#### The University of California: It Must Take Additional Steps to Address Long-Standing Issues With Its Response to Sexual Harassment Complaints (June 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To achieve prompt resolution of sexual harassment complaints against faculty respondents, the regents should ensure that the Academic Senate further defines its bylaws with written requirements for the Privilege and Tenure Committee (tenure committee) that specify exact time frames for completing the phases of the disciplinary process. By July 2019, the bylaws should require that a hearing be scheduled to begin within 60 calendar days from the date the chancellor files charges with the tenure committee unless the committee chair extends this time frame for good cause, which the written requirements should define.	University of California Board of Regents	†
2. To achieve prompt resolution of sexual harassment complaints against faculty respondents, the Regents should ensure that the Academic Senate further defines its bylaws with written requirements for the tenure committee that specify exact time frames for completing the phases of the disciplinary process. By July 2019, the bylaws should require that the tenure committee issue a recommendation within 30 calendar days of concluding the hearing. The written requirements should define when a hearing is considered concluded.	University of California Board of Regents	†
3. To ensure prompt resolution of sexual harassment complaints against faculty respondents, the Office of the President should amend the appropriate policies to require that the chancellor or designee issue a final decision about discipline within 14 calendar days following receipt of the tenure committee's recommendation. This change should take effect by July 2019.	University of California	†

<p>4. To ensure prompt resolution of sexual harassment complaints against faculty respondents, the Office of the President should, after the Academic Senate develops written requirements to specify exact time frames, complete an annual review of all cases involving Senate faculty to determine the length of time the adjudication process lasted. If an adjudication process takes longer than the time frames specified, the Office of the President should work with the Regents and the Academic Senate to develop further measures to enforce a more prompt adjudication process. The Office of the President should complete its first review by October 2020.</p>	<p>University of California</p>	<p>†</p>
<p>5. To ensure that the campuses impose appropriate disciplinary sanctions and to determine whether any additional remedies need to be provided, the Office of the President should modify UC policy to ensure that campus coordinators consult on the appropriateness of the discipline for respondents found to have violated UC policy. This policy change should take effect by July 2019.</p>	<p>University of California</p>	<p>†</p>
<p>6. To ensure that campuses administer the informal process correctly for complaints alleging conduct that would violate UC policy, the Office of the President should, by July 2019, identify required elements for capturing the agreement between a complainant and respondent to use the informal process and require the campuses to integrate these required elements into their processes.</p>	<p>University of California</p>	<p>†</p>
<p>7. To ensure that campuses administer the informal process correctly for complaints alleging conduct that would violate UC policy, the Office of the President should, by July 2019, identify required elements for communications that inform a complainant and respondent of the informal and formal processes available to address the complaint, as well as what to expect of each process, and that also inform the complainant of his or her right to end the informal process at any time by requesting the formal process. The Office of the President should require the campuses to integrate these required elements into their processes.</p>	<p>University of California</p>	<p>†</p>
<p>8. To ensure that campuses administer the informal process correctly for complaints alleging conduct that would violate UC policy, the Office of the President should, by July 2019, modify UC policy to require that the campus office either participate directly in the resolution with the respondent and responsible campus officials or that the campus office receive written confirmation from the responsible campus officials describing the resolution and documenting that it took place.</p>	<p>University of California</p>	<p>†</p>
<p>9. To ensure that campuses retain adequate and consistent documentation for complaints they handle through the informal and formal processes, the Office of the President should determine the types of documents campuses should retain. The Office of the President should consider the types of complaint information, correspondence, and interview notes that would be necessary when determining a campus's response to a complaint. The Office of the President should modify UC policy to include these requirements, and they should take effect by July 2019.</p>	<p>University of California</p>	<p>†</p>
<p>10. To ensure timely completion of investigations, the Office of the President should modify UC policy to address investigation extensions. The policy changes should include, but not be limited to, defining good cause for an extension as material or unforeseen circumstances directly related to the complaint, specifying a standard extension period, requiring that an extension be requested and granted before the initial 60 business-day period expires, and specifying the time frame within which a campus must notify the parties about each approved extension. The policy should also outline examples of the material or unforeseen circumstances that could warrant an extension and specify the number of extensions available for an investigation before requiring approval from the systemwide coordinator. The changes should take effect by July 2019.</p>	<p>University of California</p>	<p>†</p>
<p>11. To ensure that the campuses send complete notifications at the start and end of an investigation, the Office of the President should identify required elements for the campuses to include in these notifications and require the campuses to integrate these required elements in their notifications by July 2019.</p>	<p>University of California</p>	<p>†</p>
<p>12. To ensure that the campuses are using the administratively closed classification correctly and consistently, the Office of the President should modify UC policy to include criteria for identifying and classifying complaints as closed. These criteria should identify the circumstances in which it is appropriate to close cases and the documents that campuses should retain. The criteria should also define what services campuses should provide to complainants and detail the type of communication campuses should provide to them. These modifications should take effect by July 2019.</p>	<p>University of California</p>	<p>†</p>

continued on next page...

13. To ensure that the systemwide Title IX office (systemwide office) has appropriate direction and the systemwide Title IX coordinator (systemwide coordinator) has the necessary authority, the Office of the President should work with the systemwide coordinator to develop a strategic plan for the systemwide office that delineates how it will approach achieving consistency systemwide. This plan should also ensure that the systemwide office updates UC policy to comply with federal and state requirements and best practices, that it reviews and approves local procedures for compliance with UC policy, that it oversees campus Title IX activities, and that it improves the UC's use of campus data on sexual harassment complaints. The Office of the President should grant the systemwide coordinator the authority needed to enforce the desired plan, and it should develop the plan by December 31, 2018.	University of California	†
14. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate a statement that the policy applies to third parties, in addition to the other changes that it has already agreed upon in its resolution with the U.S. DOE Office for Civil Rights (OCR).	University of California	†
15. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate a statement that the policy applies to online behavior or social media that may affect an individual's educational experience, in addition to the other changes that it has already agreed upon in its resolution with OCR.	University of California	†
16. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate a statement that the UC may initiate a complaint, in addition to the other changes that it has already agreed upon in its resolution with OCR.	University of California	†
17. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate the date that identifies or defines the start of an investigation, in addition to the other changes that it has already agreed upon in its resolution with OCR.	University of California	†
18. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate the allowable length of an extension for an investigation and what constitutes good cause for an extension, in addition to the other changes that it has already agreed upon in its resolution with OCR.	University of California	†
19. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate an explanation of how a campus can protect confidentiality when implementing interim measures, in addition to the other changes that it has already agreed upon in its resolution with OCR.	University of California	†
20. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate an explanation of what information a campus can keep confidential and what information it must disclose, in addition to the other changes that it has already agreed upon in its resolution with OCR.	University of California	†
21. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate the requirement to give the complainant the right to end the informal process and begin a formal process, in addition to the other changes that it has already agreed upon in its resolution with OCR.	University of California	†
22. To ensure that UC policy complies with best practices, the systemwide office should amend that policy by July 2019 to incorporate procedures to ensure that the informal process provides prompt and equitable resolution of complaints, in addition to the other changes that it has already agreed upon in its resolution with OCR.	University of California	†
23. To address any patterns or systemic problems of sexual harassment, the systemwide office should, by July 2019, continue to improve and finalize the data collection process, including identifying data points that campuses should gather for each complaint and data points for tracking repeat respondents.	University of California	†
24. To address any patterns or systemic problems of sexual harassment, the systemwide office should, by July 2019, work with each campus to develop and implement processes and data reports to assist the campus in regularly identifying patterns and systemic problems related to sexual harassment and in instituting sexual harassment prevention education and training in those areas that need it.	University of California	†

25. To address any patterns or systemic problems of sexual harassment, the systemwide office should, by July 2019, work with each campus to implement ongoing data quality control processes in order to ensure sexual harassment complaints data are accurate and complete.	University of California	†
26. To address any patterns or systemic problems of sexual harassment, the systemwide office should, by July 2019, identify and review campuses' complaints data to identify outliers in their use of the formal, informal, and administratively closed processes.	University of California	†
27. To ensure that each campus hires the most qualified individuals to perform Title IX-related functions, the systemwide office should, in consultation with the campuses, develop a list of key Title IX positions and the associated minimum and desirable qualifications. The systemwide office should ensure that effective July 2019, each campus follows those qualifications when hiring new staff.	University of California	†
28. To ensure that all investigators and staff performing Title IX-related functions have necessary and consistent training, the systemwide office should amend UC policy to take effect July 2019 to make clear the Title IX training requirements. The policy should specify the number of training hours required of each investigator and staff member, the period within which the training must be completed, and the minimum number of training hours within each period.	University of California	†
29. To ensure that all investigators and staff performing Title IX-related functions have necessary and consistent training, the systemwide office should amend UC policy to take effect July 2019 to make clear the Title IX training requirements. The policy should specify the topics that the training must cover and the minimum number of training hours required on each topic.	University of California	†
30. To ensure that all investigators and staff performing Title IX-related functions have necessary and consistent training, the systemwide office should amend UC policy to take effect July 2019 to make clear the Title IX training requirements. The policy should set training topics and the requisite number of hours by topic that new employees must complete and the period within which the new employee must do so.	University of California	†
31. To ensure that all investigators and staff performing Title IX-related functions have necessary and consistent training, the systemwide office should amend UC policy to take effect July 2019 to make clear the Title IX training requirements. The policy should require that each campus develops and implements processes to track staff training.	University of California	†
32. To ensure that all investigators and staff performing Title IX-related functions have necessary and consistent training, the systemwide office should amend UC policy to take effect July 2019 to make clear the Title IX training requirements. The policy should specify that the systemwide office will monitor each campus to ensure it adheres to the training requirements.	University of California	†

**Report Number I2018-1**

**Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property (July 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. Take appropriate disciplinary actions against Employee A for his continued time and attendance abuse and for his dishonesty when attempting to conceal his actions.	California State University, Fresno	Fully Implemented
2. Take appropriate disciplinary actions against Employee B for her continued time and attendance abuse and for her dishonesty when attempting to conceal her actions.	California State University, Fresno	Fully Implemented
3. Investigate Employee B's relative for potential time and attendance abuse because the relative, who also works at Fresno State, was observed leaving campus for long periods of time.	California State University, Fresno	Fully Implemented

4. Assign Employees A and B to a lead employee who is trained regarding his or her responsibility to ensure that these two employees perform their duties and report any time away from their assigned duties.	California State University, Fresno	Fully Implemented
5. Take appropriate corrective actions against the supervisor and other relevant managers for failing to adequately address these employees' substantial time and attendance abuse.	California State University, Fresno	Fully Implemented
6. Determine the amount of time Employees A and B can be charged to account for their missed work hours, reduce their leave balances accordingly, and, if applicable, seek to recover from them any wages paid to them for time they did not work.	California State University, Fresno	Pending
23. Implement a cost-effective plan to install and use the quick charger in a campus project or develop plans to transfer it to another university or state agency.	California State University, Dominguez Hills	Fully Implemented
24. Establish a check-and-balance process regarding procurement decisions to prevent future wasteful purchases.	California State University, Dominguez Hills	Fully Implemented

† As of December 31, 2018, the entity has not provided a response to the State Auditor or the State Auditor has not assessed the entity's response.

## Assembly Budget Subcommittee 3 on Resources and Transportation

### Report Number I2017-1

#### Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
6. The California Department of Transportation (Caltrans) should take appropriate corrective or disciplinary action against the analyst for her misuse of state time.	Department of Transportation	Fully Implemented
7. Caltrans should have the analyst review and sign Caltrans' policies and directives related to the misuse of state time and incompatible activities.	Department of Transportation	Fully Implemented

### Report Number 2016-121

#### Department of Motor Vehicles: Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Person Parking Placards (April 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To increase Department of Motor Vehicles (DMV) oversight of applications for disabled person parking placards (placards) or plates, the Legislature should modify current law to require DMV to conduct at least quarterly audits of a selection of applications for disabled placards or plates and to seek the health boards' cooperation in doing so.	Legislature	Legislation Enacted
2. To better align the placard program with the needs of Californians with disabilities, the Legislature should amend state law to include podiatrists on the list of medical providers approved in state law to certify applications for disabilities related to their specialty.	Legislature	Legislation Enacted
3. To assist DMV in more accurately identifying deceased individuals with active permanent placards, the Legislature should amend state law to require DMV to use the U.S. Social Security Administration's Death Master File to inform its efforts to identify and cancel deceased individuals' placards.	Legislature	Legislation Enacted
4. To assist DMV in identifying deceased placard holders, the Legislature should require that all individuals with permanent placards reapply every four years.	Legislature	Legislation Enacted
5. To assist DMV in identifying deceased placard holders, the Legislature should require that all who apply for a placard or a plate include their full legal name and date of birth, and provide satisfactory proof of this information at the time of application.	Legislature	Legislation Enacted
6. To reduce the risk of placard misuse, the Legislature should limit to no more than two the number of replacements of permanent placards an individual may obtain during the two-year placard renewal period. The Legislature should require that those desiring replacements beyond that limit reapply and submit new certifications of disability.	Legislature	Legislation Enacted
7. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a review by medical experts of a sample of placard applications each quarter to ensure that the disability certifications meet state requirements. For any application that does not meet state requirements, DMV should require that the applicant and his or her provider submit the information needed so that the application meets state requirements. DMV should cancel the placards of those who do not respond within 90 days.	Department of Motor Vehicles	Will Not Implement

8. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a process for the health boards to develop guidance for medical providers related to how to meet state requirements.	Department of Motor Vehicles	Partially Implemented
9. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a process for obtaining copies of provider signatures and routinely comparing the signatures with those on a sample of placard applications. Investigations should confirm questionable signatures with providers.	Department of Motor Vehicles	Fully Implemented
10. To help ensure that DMV approves only those applications that qualify for the placard program as specified in state law, by September 2017 and annually thereafter, DMV should provide additional direction and training to its staff that addresses the following program requirements: the types of medical providers that may certify qualifying disabilities, the disability categories each type of medical provider may certify, the legibility of medical provider certifications, and the entry of medical provider numbers into its registration system.	Department of Motor Vehicles	Fully Implemented
11. To identify potentially fraudulent applications, beginning immediately and quarterly thereafter, DMV Investigations should obtain placard application data from its registration system and analyze those data. At a minimum, this analysis should include a review of the following: individuals who have been issued multiple active placards, individuals who apply for an excessive number of replacement placards, providers who certify an abnormally large number of placard applications, and individuals over 100 years of age with active placards.	Department of Motor Vehicles	Fully Implemented
12. To better deter placard abuse, by September 2017 DMV should establish reasonable goals regarding the number of sting operations each of its district offices should conduct each quarter. If competing priorities require a district office to miss its goal for a given quarter, Investigations should document its justification for missing the goal. Further, Investigations should monitor its district offices' effectiveness in meeting the quarterly goals.	Department of Motor Vehicles	Fully Implemented
13. To help ensure that DMV's sting operations are an effective deterrent to placard misuse, beginning immediately DMV should regularly publicize the results of all of its sting operations through local and statewide media, on its website, and in materials distributed to the public at its field offices.	Department of Motor Vehicles	Fully Implemented
14. To properly equip its employees with the knowledge necessary to identify and report potential fraud indicators in placard applications, DMV should provide employees who process applications with training specific to the types of fraud that can occur in an application. This training should be provided by December 2017 and every other year thereafter.	Department of Motor Vehicles	Partially Implemented
15. To encourage reporting of allegations of placard abuse, Investigations should amend its policy to accept complaints by telephone and online by June 2017 and display the instructions for doing so prominently on its website.	Department of Motor Vehicles	Fully Implemented
16. To better track the time needed to investigate placard-related cases, Investigations should immediately require investigators to indicate in Investigations' database that cases are closed upon concluding the investigation and to continue to track the court's adjudication of each case.	Department of Motor Vehicles	Fully Implemented
17. To better monitor the results of its enforcement operations, Investigations should provide training and guidance to its investigators on how to use and consistently enter case disposition information into its database, and it should train its supervisors to regularly follow up with investigators to ensure that they do so.	Department of Motor Vehicles	Fully Implemented
18. To better equip local parking enforcement officials to promptly identify invalid placards, by December 2018 DMV should develop and implement an application, database, or other technology that will allow non-sworn parking enforcement officials to have immediate access to information on placard status.	Department of Motor Vehicles	Pending

19. To aid local placard enforcement efforts, by September 2017 DMV should develop guidance and training regarding strategies to combat placard misuse and notify local parking enforcement officials that the DMV guidance and training is available. As part of these efforts, DMV should include information on state law related to increasing citation penalties to fund enforcement efforts.	Department of Motor Vehicles	Fully Implemented
20. To track its effectiveness at canceling seized placards, DMV should continue its new practice of keeping a record of the date staff take action to cancel a placard and assess whether DMV is meeting its goal of canceling seized placards within 24 hours of receipt.	Department of Motor Vehicles	Fully Implemented
21. To provide local enforcement agencies with an effective way to submit placard cancellation requests, DMV should immediately establish a dedicated fax number, a dedicated email address, and a specific mailing address to receive such cancellations. DMV should communicate this information to local parking enforcement by July 2017 and should develop a schedule for communicating this information to local parking enforcement in the future. By July 2017 and periodically thereafter, DMV should inform local parking enforcement of the need to submit information on seized placards quickly in order to prevent the holder or someone else from requesting a replacement placard without having to submit a new medical certification.	Department of Motor Vehicles	Fully Implemented
22. To reduce the risk of placard misuse, DMV should update its placards to indicate a return address if found or if the placard holder is deceased. DMV should prepare this update for the permanent placards it will issue in 2019 that will expire in 2021.	Department of Motor Vehicles	Fully Implemented
23. To raise public awareness about parking for people with disabilities in California and deter placard misuse, by September 2017 DMV should develop a plan for conducting a public outreach campaign about the effect that placard misuse has on people with disabilities and the penalties for misusing a placard.	Department of Motor Vehicles	Fully Implemented

**Report Number 2016-127**

**Home-Generated Sharps and Pharmaceutical Waste: By Designating a Lead Agency, the State Could Increase Proper Disposal (May 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide the California Department of Resources Recycling and Recovery (CalRecycle) statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include developing and implementing a public education campaign about home-generated sharps and pharmaceutical waste disposal. CalRecycle should coordinate this campaign with local, state, and, to the extent possible, federal agencies to ensure consumers receive consistent guidance regarding proper disposal methods.	Legislature	No Action Taken
2. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include maintaining an up-to-date, well-publicized, and accessible statewide list of free sharps and pharmaceutical waste collection sites. CalRecycle should create this list by either improving its database or by establishing a new database, potentially using recyclewhere.org as a model.	Legislature	No Action Taken
3. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include increasing consumers' access to proper disposal methods in underserved locations. It could increase access by subsidizing prepaid mail-back options or by encouraging municipalities to include the collection of sharps and pharmaceutical waste in their contracts with waste haulers.	Legislature	No Action Taken

continued on next page...

4. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include determining the characteristics of other government programs, such as New York State's consumer education program, that might benefit California.	Legislature	No Action Taken
5. To increase in-state options for processing California's home-generated pharmaceutical waste, the Legislature should expressly authorize municipal solid waste incinerators to burn limited quantities of home-generated pharmaceutical waste, but only after considering environmental impacts.	Legislature	Legislation Proposed But Not Enacted
6. To ensure consistency throughout the State, the Legislature should adopt standard requirements for counties to follow when implementing extended producer responsibility programs. These requirements should limit any additional costs the programs may impose on consumers.	Legislature	No Action Taken

### Report Number 2016-132

#### Department of Water Resources: The Unexpected Complexity of the California WaterFix Project Has Resulted in Significant Cost Increases and Delays (October 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To improve management of large and complex infrastructure projects, the Legislature should enact legislation requiring agencies to publicly report significant changes in the cost or schedule of such projects if they are expected to exceed their established budgets by 10 percent or schedules by 12 months.	Legislature	Legislation Enacted
2. To better manage large infrastructure projects, the Department of Water Resources (Water Resources) should develop and implement a project-reporting policy requiring its management staff to document and justify decisions to proceed with such projects if they are expected to exceed their established budgets by 10 percent or schedules by 12 months. Water Resources should make these documented decisions and justifications publicly available and submit them to the Resources Agency for review and approval.	Department of Water Resources	Resolved
3. To ensure it makes appropriate use of its growing surplus revenue balance, Water Resources should develop a detailed plan describing how it intends to use these funds.	Department of Water Resources	Fully Implemented
4. To fully comply with state contracting law, Water Resources should ensure that it competitively selects architectural and engineering consultants based on demonstrated competence and professional qualifications. In addition, Water Resources should document in the contract file its evaluation of the competence and professional qualifications of all contractors and any subcontractors that are added to the contract subsequent to the competitive selection process.	Department of Water Resources	Pending
5. To ensure that only qualified subcontractors are added to contracts after the initial award is made, Water Resources should make sure that contractors select their own subcontractors and that Water Resources subsequently approves the selection after it verifies their qualifications.	Department of Water Resources	Will Not Implement
6. Water Resources should ensure that it retains adequate documentation in its contract files to support that contract prices are fair and reasonable and all deliverables are received.	Department of Water Resources	Fully Implemented
7. To ensure that Water Resources manages WaterFix in an effective manner, Water Resources should complete both the economic analysis and financial analysis for WaterFix and make the analyses publicly available as soon as possible.	Department of Water Resources	Partially Implemented
8. In order to prepare for the potential approval of WaterFix and to ensure that the project is managed properly during the design and construction phase, Water Resources should do the following: develop an appropriate governance structure so that it is prepared to oversee the design and construction of WaterFix in the event it is ultimately approved.	Department of Water Resources	Fully Implemented
9. In order to prepare for the potential approval of WaterFix and to ensure that the project is managed properly during the design and construction phase, Water Resources should develop and update when necessary the associated program management plan for the design and construction phase of the project.	Department of Water Resources	Pending

**Report Number I2017-2**

**Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
4. Water Resources should ensure the administrative supervisor starts accounting for partial-day absences in accordance with her classification as a nonexempt employee.	Department of Water Resources	Fully Implemented
5. Water Resources should ensure its management is knowledgeable about individual staff classifications and their time-reporting requirements.	Department of Water Resources	Fully Implemented

**Report Number 2017-113**

**South Orange County Wastewater Authority: It Should Continue to Improve Its Accounting of Member Agencies' Funds and Determine Whether Members Are Responsible for Its Unfunded Liabilities (March 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. The Legislature should require new joint powers authority (JPA) agreements to hold the members responsible for the JPA's unfunded pension and other postemployment benefits obligations and to specify the manner of apportioning those liabilities.	Legislature	Legislation Enacted
2. In addition, the Legislature should require all existing JPAs to disclose annually as part of any regularly scheduled communication to their pension and other postemployment benefits plan participants whether the JPA's members are liable for the JPA's unfunded retirement obligations.	Legislature	No Action Taken
3. South Orange County Wastewater Authority (SOCWA) should finish investigating the difference in available cash balances per its audited financial statements and its accounting records, and then develop a methodology that is agreeable to its members for allocating any additional cash it identifies to the credit of its members. For example, it could allocate this money to members based on each member's existing proportion of available cash per SOCWA's accounting records.	South Orange County Wastewater Authority	Pending
4. To prevent future discrepancies in available cash balances, SOCWA should implement its improved procedures to better account for members' cash contributions and provide monthly reports of available cash balances to members.	South Orange County Wastewater Authority	Pending
5. SOCWA and its members should amend the current JPA agreement to expressly state whether members will be responsible for SOCWA's retirement benefits liabilities in the event it is not able to meet those obligations and then it should inform plan participants of that provision.	South Orange County Wastewater Authority	Pending
6. To better ensure the timely release of future financial statements, SOCWA should enhance its new procedures for preparing its financial statements by developing and following a timeline with specific deadlines for completing each of its planned year-end tasks.	South Orange County Wastewater Authority	Fully Implemented
7. To better ensure the reliability of its financial reporting, the effectiveness and efficiency of its operations, and its compliance with laws and regulations, SOCWA should establish a policy requiring it to correct within six months any future internal control deficiencies that its external auditor may identify.	South Orange County Wastewater Authority	Fully Implemented
8. To enable staff who may be unfamiliar with SOCWA's various accounting procedures to effectively complete their assigned tasks, SOCWA should further develop its accounting procedures by including step-by-step instructions.	South Orange County Wastewater Authority	Fully Implemented
9. To reduce future audit costs, SOCWA should amend its policy on professional service procurements to specify that it should enter into agreements of at least five years with its competitively procured external audit firms. It should also develop a policy to rotate its external auditor when state law requires.	South Orange County Wastewater Authority	Resolved

continued on next page...

<p>10. To ensure that it fully complies with the Public Records Act, SOCWA should do the following:</p> <ul style="list-style-type: none"> <li>• Update its policy on the Public Records Act at least annually to ensure that it keeps pace with any changes in the law.</li> <li>• Develop more detailed procedures to ensure that it responds to requests for records in full compliance with the Public Records Act.</li> <li>• Establish a policy to retain accurate records and supporting documentation to demonstrate that it fully complies with all requirements of the Public Records Act.</li> </ul>	South Orange County Wastewater Authority	Fully Implemented
---	--	-------------------

### Report Number 2017-118

#### State and Regional Water Boards: They Must Do More to Ensure That Local Jurisdictions' Costs to Reduce Storm Water Pollution Are Necessary and Appropriate (March 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To promote the establishment of appropriate pollutant limits, the Legislature should amend state law to direct the Water Resources Control Board (State Water Board) to assess whether a study of a specific water body is justified and, if so, to require the appropriate regional water quality control board (regional board) to ensure that the study is conducted by the regional board or the applicable local jurisdictions. For example, a study could be justified if the water body's condition might warrant modifying a maximum pollutant level, if the study could be performed cost-effectively, and if the study's benefits are likely to reduce local jurisdictions' costs or improve protection of the water body's uses. The State Water Board should seek additional funding for local jurisdictions to conduct studies if it believes additional resources are needed.</p>	Legislature	No Action Taken
<p>2. The State Water Board should develop guidance by August 2018 for regional boards to document estimates of the costs local jurisdictions will incur in order to comply with pollutant control plans. These procedures should also address the need to use appropriate methods to develop those estimates, to document the sources they use to develop the estimates, and to document consideration of the overall cost of storm water management to local jurisdictions when completing an economic analysis as part of developing pollutant control plans. Additionally, the documentation of cost estimates should include, where applicable, the impact other pollutant control plans will have on the costs local jurisdictions are expected to incur.</p>	Water Resources Control Board	Pending
<p>3. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.</p>	Central Valley Regional Water Quality Control Board	Pending
<p>4. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.</p>	Los Angeles Regional Water Quality Control Board	Pending
<p>5. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.</p>	San Francisco Bay Regional Water Quality Control Board	Pending
<p>6. To ensure that the regional boards obtain adequate and consistent information on the storm water management costs local jurisdictions incur, the State Water Board should develop statewide guidance by August 2018 for local jurisdictions on methods for tracking the cost of storm water management. If the State Water Board believes it does not have the expertise to develop such guidance, it should hire or contract with an expert in municipal finance who can assist in developing that guidance.</p>	Water Resources Control Board	Pending
<p>7. If the State Water Board believes regulations are necessary to ensure that the regional boards and local jurisdictions follow its guidance regarding adequate and consistent information pertaining to their costs for storm water management, the State Water Board should adopt such regulations.</p>	Water Resources Control Board	Pending

8. Once it has distributed its guidance, the State Water Board should work with the regional boards to develop an annual review process of the information the regional boards receive to help ensure its consistency with the guidance.	Water Resources Control Board	Pending
9. Until the Legislature amends state law, the State Water Board should provide guidance to the regional boards on when studies of specific water bodies should be conducted and assist the regional boards in obtaining funding for those studies.	Water Resources Control Board	Pending
10. The State Water Board should direct its staff and those of the regional boards to revise their storm water management requirements when staff become aware of changing circumstances that would make certain monitoring by local jurisdictions unnecessary.	Water Resources Control Board	Pending
11. The State Water Board should revise its trash policy to focus it on local jurisdictions that have water bodies that are harmed by trash, as identified by the polluted waters list. In addition, the State Water Board should review the polluted waters list at least biannually to identify any additional water bodies recently determined to be harmed by trash and impose its trash policy on the applicable jurisdictions.	Water Resources Control Board	Pending
12. To ensure that information regarding funding options available to local jurisdictions is consistent and current, the State Water Board and regional boards should work together to provide accurate information on their websites that is readily accessible, and the State Water Board and regional boards should remove outdated information by May 2018.	Water Resources Control Board	Partially Implemented
13. To ensure that information regarding funding options available to local jurisdictions is consistent and current, the State Water Board and regional boards should work together to provide accurate information on their websites that is readily accessible, and the State Water Board and regional boards should remove outdated information by May 2018.	Central Valley Regional Water Quality Control Board	Partially Implemented
14. To ensure that information regarding funding options available to local jurisdictions is consistent and current, the State Water Board and regional boards should work together to provide accurate information on their websites that is readily accessible, and the State Water Board and regional boards should remove outdated information by May 2018.	Los Angeles Regional Water Quality Control Board	Partially Implemented
15. To ensure that information regarding funding options available to local jurisdictions is consistent and current, the State Water Board and regional boards should work together to provide accurate information on their websites that is readily accessible, and the State Water Board and regional boards should remove outdated information by May 2018.	San Francisco Bay Regional Water Quality Control Board	Partially Implemented
16. To better provide comprehensive information on funding sources and storm water financial management for local jurisdictions, the State Water Board should create a committee by August 2018 to identify the informational needs of jurisdictions and create best practices for storm water financial management and financial approaches. This committee should include representatives from the State Water Board's Division of Financial Assistance, the regional boards, and various local jurisdictions.	Water Resources Control Board	Fully Implemented
17. San Francisco Bay should comply with federal regulations and require local jurisdictions to report annually the projected and actual costs of complying with their permits.	San Francisco Bay Regional Water Quality Control Board	Pending
18. Los Angeles should correct its pollutant control plan where it miscalculated two pollutant limits.	Los Angeles Regional Water Quality Control Board	Pending

**Report Number 2017-126****Penalty Assessment Funds: California's Traffic Penalties and Fees Provide Inconsistent Funding for State and County Programs and Have a Significant Financial Impact on Drivers(April 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To ensure consistent funding streams for state and county programs, the Legislature should consider whether, and to what extent, to fund the programs that currently receive penalty and fee revenue from criminal and traffic violations. The Legislature could adjust or eliminate individual penalties and fees by considering the following factors identified in our report:</p> <ul style="list-style-type: none"> <li>• Revenue trends and the reliability of penalties and fees as funding sources</li> <li>• The significant financial impact of penalties and fees on low-income individuals</li> <li>• How well aligned the uses of the penalty and fee revenues are with the offenses that give rise to the penalty or fee</li> <li>• The seemingly arbitrary amount of the penalty or fee</li> </ul> <p>To accomplish this, over the next two-year period the Legislature should review the penalties and fees and the programs that receive the penalty and fee revenue to determine the programs' needs. If the Legislature determines that a particular penalty or fee is not appropriate for generating revenue for a particular program, it should consider requiring the affected department to identify other funding sources or reduce the program's scope of services.</p>	Legislature	No Action Taken
<p>2. The Legislature should consider revising state law to direct all or part of the penalty revenue to the State Penalty Fund and using the budget process to allocate funds to align with legislative priorities.</p>	Legislature	No Action Taken

**Report Number I2018-1****Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property(July 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>9. Take appropriate disciplinary action against the employee for sleeping on the job for hours each day and failing to adequately perform her duties.</p>	Department of Motor Vehicles	Partially Implemented
<p>10. Take appropriate corrective or disciplinary actions against the supervisors for failing to adequately address the employee's consistent pattern of sleeping during work hours and failing to perform her duties.</p>	Department of Motor Vehicles	Resolved
<p>25. Take appropriate disciplinary action against the assistant chief.</p>	Department of Forestry and Fire Protection	Fully Implemented
<p>26. Modify its standard rental agreement with tenants to limit the State's potential liability by providing more specificity with regard to making improvements or alterations to its rental properties, ensuring that tenants maintain renter's insurance, clarifying that the Department of Forestry and Fire Protection is not responsible for any personal property damage or loss, and ensuring the tenants and their guests do not interfere with the convenience of other residents of rental properties.</p>	Department of Forestry and Fire Protection	Pending

**Report Number 2018-104**

**Toll Bridge Seismic Retrofit Program: The State Could Save Millions of Dollars Annually by Implementing Lessons Learned (August 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that large transportation infrastructure projects throughout the State benefit from appropriate oversight, the Legislature should require that all publicly funded major transportation infrastructure construction projects estimated to cost \$500 million or more, have oversight committees subject to open meeting laws. When practical, each oversight committee should include individuals from at least three major agencies involved in the project, with roles that reflect financial interests as well as project execution and oversight. Further, when possible, each committee should include at least five members to support its ability to conduct day-to-day business without violating open meeting law requirements. The oversight committees should act as the authorities for critical decisions and have sufficient staff to support their decision-making roles.	Legislature	No Action Taken
2. To ensure that oversight committees perform their duties in a manner commensurate with the demands of large transportation infrastructure projects, the Legislature should require that the oversight committees have duties similar to those of the Oversight Committee, including the following: providing project direction; reviewing project status, costs, schedules, and staffing levels; resolving project issues and evaluating project changes; and developing and regularly updating cost estimates, risk assessments, and cash-flow requirements.	Legislature	No Action Taken
3. To ensure that oversight committees effectively address both the fiscal and project management elements of large transportation infrastructure projects, the Legislature should require consolidated reporting at least annually detailing cost savings, cost overruns, and updates on project completion.	Legislature	No Action Taken
4. To ensure that oversight committees and the agencies involved in large transportation infrastructure projects engage in sufficient and appropriate risk management, the Legislature should require all publicly funded transportation infrastructure projects with a total estimated cost of \$500 million or more to develop risk management plans that use both qualitative and quantitative risk analyses throughout the course of the projects.	Legislature	No Action Taken
5. To ensure that future projects have adequate risk management, the Metropolitan Transportation Commission should formalize a scalable risk management policy by June 2019 so that the projects it directs benefit from sufficient and ongoing risk management.	Metropolitan Transportation Commission	Pending

**Report Number 2018-107**

**California Department of Resources Recycling and Recovery: It Has Not Provided the Oversight Necessary to Ensure That the Mattress Recycling Program Fulfills Its Purpose (September 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. The Legislature should amend the recycling act to require CalRecycle to establish goals for the mattress recycling program (mattress program) that relate to increasing consumer convenience, encouraging source reduction, and reducing illegal mattress dumping, as well as for any other areas that CalRecycle identifies as critical to the mattress program achieving the intent of the recycling act. It should require CalRecycle to establish goals in the first three specified areas by July 2020.	Legislature	No Action Taken
2. The Legislature should amend the recycling act to limit the time period for which the recycling plan is valid and to require the Mattress Recycling Council (Mattress Council) to regularly submit new plans to CalRecycle that are subject to its review and approval.	Legislature	No Action Taken

3. The Legislature should amend the recycling act to require the Mattress Council to submit with its annual budget any additional details that CalRecycle determines are reasonable for its effective oversight of the mattress program. The Legislature should amend the recycling act to prohibit the Mattress Council from spending the recycling charges it collects in a year for which CalRecycle has not approved the mattress program's budget. Further, the Legislature should clarify that the Mattress Council's operating without an approved budget is a violation of the recycling act.	Legislature	No Action Taken
4. By January 1, 2020, CalRecycle should update the baseline and goals for mattress recycling to reflect the most current available information it has related to the number of mattresses disposed of statewide. In addition, it should ensure that its recycling goals are statewide in scope by including information about recycling and renovation from entities that do not contract with the Mattress Council.	Department of Resources Recycling and Recovery	Pending
5. In order to bring violators of the recycling act into compliance and to ensure that its enforcement activities are timely, CalRecycle should do the following: <ul style="list-style-type: none"> <li>• Assess penalties for noncompliance with the recycling act.</li> <li>• Publicize any penalties it assesses against violators of the recycling act as a deterrent to potential violators.</li> <li>• Monitor inspection cases to ensure that it does not complete them before the retailers in question have remedied any instances of noncompliance.</li> <li>• Execute a plan to verify compliance for all inspections in which it did not obtain evidence of compliance.</li> <li>• Develop and implement a timeline for the penalty phase of the enforcement process.</li> <li>• Regularly review the timeliness of its enforcement process and prioritize any overdue enforcement actions based on its enforcement timelines.</li> </ul>	Department of Resources Recycling and Recovery	Pending
6. The Legislature should amend the recycling act to require the Mattress Council to maintain a reserve equal to no more than six months of the mattress program's budgeted expenses. Further, the Legislature should amend the recycling act to provide CalRecycle the ability through its budget approval process to direct the spending of any amount of funding that the Mattress Council accumulates in excess of this amount or to adjust the mattress recycling charge.	Legislature	No Action Taken
7. The Legislature should amend the recycling act to require the Mattress Council to include in its recycling plan measurable goals in the areas of consumer awareness and research on new technology. Further, the Legislature should require that the Mattress Council's annual report include information about the mattress program's progress toward meeting those goals.	Legislature	No Action Taken

### Report Number 2018-108

#### California High-Speed Rail Authority: Its Flawed Decision Making and Poor Contract Management Have Contributed to Billions in Cost Overruns and Delays in the System's Construction (November 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that the change orders it approves are necessary and that their costs are appropriate, the California High-Speed Rail Authority (Authority) should adhere to the guidance and estimates the oversight firms provide to it. If the Authority chooses to deviate from the oversight firms' recommendations, it should clearly document why it made those deviations.	California High-Speed Rail Authority	*
2. Before executing its next construction contract, the Authority should establish formal prerequisites for beginning construction to prevent avoidable cost overruns and project delays. At a minimum, these prerequisites should identify specific benchmarks related to land acquisition, utility agreements and relocations, and agreements with external stakeholders, including impacted local governments and other railroad operators.	California High-Speed Rail Authority	*

<p>3. To better position itself to complete the three Central Valley projects by the December 2022 federal grant deadline, the Authority should improve its monitoring and evaluation of the oversight firms' risk assessment processes and should take steps to ensure that these processes are consistent across the three projects by May 2019.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>4. To enable policymakers and the public to track the Authority's progress toward meeting the federal grant deadline of December 2022, the Authority should, by January 2019, begin providing quarterly updates to the Legislature detailing the progress of the three Central Valley construction projects using an earned value model that compares construction progress to the projected total completion cost and date. The Authority should base these updates on the most current estimates available.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>5. To ensure that it is adequately prepared if it is unable to meet the federal grant deadline of December 2022, the Authority should, by May 2019, develop a contingency plan for responding to such a scenario.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>6. To improve its contract management, increase accountability, and justify the significant amount it pays for contracted services, the Authority should, by May 2019, prioritize contract management efforts and reduce the frequency with which contract management responsibilities shift among Authority staff by establishing a formal process for hiring and assigning full-time, experienced contract managers. These contract managers should have duty statements reflecting their contract oversight responsibilities, and they should report to supervisors who understand those responsibilities and have extensive knowledge about the contracts' deliverables. In addition, those supervisors' duty statements should clearly lay out their responsibility for addressing any contract manager noncompliance with the Authority's contract management policies and procedures, whether reported by the Contract Management Support Unit (CMSU) or identified by another means.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>7. To improve its contract management, increase accountability, and justify the significant amount it pays for contracted services, the Authority should, by May 2019, require CMSU to establish a schedule to monitor individual contract manager compliance and report annually the results of this monitoring to Authority executive leadership. To help ensure the integrity of its oversight role, CMSU should be composed of state staff in place of rail delivery partner (RDP) consultants.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>8. To improve its contract management, increase accountability, and justify the significant amount it pays for contracted services, the Authority should, by May 2019, hold contract managers accountable for performing the duties that the Authority's policies assign to them. Specifically, CMSU and, to the extent necessary, contract managers' supervisors should require and review evidence from contract managers demonstrating their approval of deliverables, detection and resolution of contractor performance issues, and assessment of contract amendments for merit. The Authority should not accept observations and reports from its contractors or the RDP consultants in place of this evidence.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>9. To prevent the inappropriate use of contractors to perform state functions, the Authority should develop procedures by May 2019 for evaluating whether new and existing administrative duties should be assigned to contractors or to state employees.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>10. To ensure that contract managers' invoice reviews are complete and that invoiced costs are allowable under contract terms, the Authority should amend its applicable procedures by May 2019 to require contract managers to document their review of invoiced rates and expenses.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>11. To ensure the consistency and effectiveness of its efforts to monitor the performance of the oversight firms with which it contracts, the Authority should develop a formal methodology by May 2019 for using the performance evaluation tool it has implemented. This methodology should include procedures for assessing the sufficiency of the oversight firms' review and approval of invoices for construction contracts.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>

12. To ensure that the oversight firms' spending is reasonable, the Authority should develop a formal process by May 2019 for tracking any out-of-scope work that the oversight firms perform. To reduce the likelihood that its contracts with the oversight firms run out of funds prematurely as a result of this additional work, the Authority should also develop a formal process for amending the oversight firms' contracts contemporaneously to change orders that significantly extend the timelines or increase the scope of work of the construction contracts that oversight firms oversee.	California High-Speed Rail Authority	*
13. To help improve the effectiveness of its sustainability policy, the Authority should revise the policy by May 2019 to more clearly differentiate between the construction and operation phases of the high-speed rail system. Further, it should ensure that each objective in each section of the policy is associated with quantifiable metrics for evaluating implementation.	California High-Speed Rail Authority	*
14. To allow it to evaluate the sustainability of the high-speed rail system's construction, the Authority should, by May 2019, perform and document a review of its compliance with its existing quality controls related to ensuring the validity and completeness of contractor-reported data. The Authority should also establish a formal process to perform such reviews periodically.	California High-Speed Rail Authority	*
15. To help ensure that it meets its sustainability goals, the Authority should comprehensively compare the three construction projects' performances to their construction contractors' original baseline estimates on a quarterly basis. It should perform the first of these comparisons no later than May 2019.	California High-Speed Rail Authority	*
16. To help ensure that its contractors' proposed environmental impacts are reasonable and to measure the progress of its sustainable construction efforts over time, the Authority should, by November 2019, identify and track standardized measures—such as project miles—that will allow it to compare construction impacts across the high-speed rail system's different construction projects.	California High-Speed Rail Authority	*
17. To increase the transparency of its reporting, the Authority should, by May 2019, expand its quarterly small business, Disabled Veteran Business Enterprise, and Disadvantaged Business Enterprise utilization reporting to account for the total value of all its contracts and to identify the reasons it has exempted specific contracts.	California High-Speed Rail Authority	*

### Report Number 2018-118

#### California Public Utilities Commission: It Could Improve the Transparency of Water Rate Increases by Disclosing Its Review Process and Ensuring That Utilities Notify Customers as Required (December 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that water utility customers can access understandable information regarding why and by how much their water rates are changing as a result of general rate case proceedings, by May 2019 the California Public Utilities Commission (CPUC) should create a webpage specifically for water customers that includes a summary of water rate changes for each general rate case for Class A water utilities.	Public Utilities Commission	*
2. To ensure that water utility customers can access understandable information regarding why and by how much their water rates are changing as a result of general rate case proceedings, by May 2019 the CPUC should create a webpage specifically for water customers that includes a summary of any resolutions and decisions that give all water utilities the authority to change their rates for reasons external to the general rate case process, such as increases in the fees the CPUC charges utilities for regulating them.	Public Utilities Commission	*
3. To ensure transparency and promote public understanding of its processes, by July 2019 the CPUC should create and publish information for customers regarding its general rate case and advice letter processes, including how and when water utilities are required to notify customers of increased rates and how customers can participate in both processes.	Public Utilities Commission	*

<p>4. To ensure that it informs customers that they have an opportunity to provide their input regarding general rate cases, by May 2019 the CPUC should implement a process to verify and maintain records that demonstrate that water utilities are submitting notifications to their customers of Public participation hearings in accordance with the time frames set out in regulations, any additional notification requirements the administrative law judges may impose, and any general rate case application filings in accordance with the time frames set out in regulations. To the extent that it identifies noncompliance with notification requirements, the CPUC should evaluate whether to impose a fine on the water utility.</p>	<p>Public Utilities Commission</p>	<p>*</p>
<p>5. To ensure that all customers receive timely notification from water utilities of potential and actual rate increases, the CPUC should implement a process by May 2019 that requires water utilities to submit proof of customer notification to its Water Division, which should then review these notifications to ensure that the utilities are meeting the requirements. If the water utilities do not comply with the requirements, the CPUC should consider whether to impose a fine on the water utility.</p>	<p>Public Utilities Commission</p>	<p>*</p>
<p>6. To ensure that the CPUC fulfills its statutory requirement for auditing all water utilities, it should immediately begin to follow its Standard Practice when auditing Class A water utilities, or develop policies and procedures by May 2019 to ensure that the reviews Public Advocates conducts of general rate cases demonstrate compliance with the legal requirement for audits of these utilities.</p>	<p>Public Utilities Commission</p>	<p>*</p>
<p>7. To ensure that the CPUC fulfills its statutory requirement for auditing all water utilities, it should immediately develop a plan to complete audits of Class A water utilities and small water utilities in a timely manner.</p>	<p>Public Utilities Commission</p>	<p>*</p>
<p>8. To ensure that the public can access advice letters on the CPUC's website and because it is unknown when the system it is developing will be complete, the CPUC should immediately begin developing another process to make advice letters easily available by July 2019, such as by scanning them and posting copies on the Water Division's webpage.</p>	<p>Public Utilities Commission</p>	<p>*</p>

\* The status of recommendations for audits issued between late October and December 2018 is based on the entities' initial response, which is included in the original audit report, available on the California State Auditor's (State Auditor) website: [www.auditor.ca.gov](http://www.auditor.ca.gov).

PAGE LEFT BLANK INTENTIONALLY

## Assembly Budget Subcommittee 4 on State Administration

### Report Number I2017-1

#### *Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
12. The Board of Equalization (Equalization) should work with the first tax technician's current employing agency to place appropriate documentation about the investigation in her official personnel file.	Board of Equalization	Fully Implemented
13. Equalization should place a memo in the second tax technician's official personnel file that details the findings of its investigation, its dismissal filed and served on her, and this tax technician's retirement from BOE before the effective date of the dismissal so that other state agencies are fully aware of the findings should she return to state employment.	Board of Equalization	Fully Implemented

### Report Number 2016-036

#### *Indian Gaming Special Distribution Fund: The Method Used to Mitigate Casino Impacts Has Changed, and Two Counties' Benefit Committees Did Not Ensure Compliance With State Law When Awarding Grants (March 2017)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. If the Legislature appropriates funding from the distribution fund for mitigation grants in the future, to comply with state law, the benefit committee for Fresno County should ensure that it obtains sufficient documentation from grant applicants to demonstrate that the requested funding represents the correct proportionate share of the costs attributable to casino impacts.	Fresno County	Not Currently Feasible
2. If the Legislature appropriates funding from the distribution fund for mitigation grants in future years, Fresno County's benefit committee should revise its procedures to include specific steps to verify that grantees will place grant funds into interest-bearing accounts when awarding any mitigation grants. These steps should include requiring grantees to report the interest accrued in their quarterly reports and to substantiate those reports with bank statements or other reports of interest earned, and following up with the grantee when the grantee reports no earned interest for the period.	Fresno County	Not Currently Feasible
3. Fresno County's benefit committee should develop procedures to ensure it complies with the reform act by collecting all required statements of economic interest in a timely manner, and that it complies with its record retention policy by maintaining those statements for the required period of time.	Fresno County	Fully Implemented
4. If the Legislature appropriates funding from the distribution fund for mitigation grants in the future, to comply with state law, the benefit committee for San Diego County should ensure that it obtains sufficient documentation from grant applicants to demonstrate that the requested funding represents the correct proportionate share of the costs attributable to casino impacts.	San Diego County	Not Currently Feasible

**Report Number 2016-128*****In-Home Supportive Services: The State Could Do More to Help Providers Avoid Future Payment Delays (March 2017)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
6. To ensure that Hewlett Packard Enterprise is meeting its contractual obligation for processing timesheets, the Office of Systems Integration (OSI) should monitor whether the timesheet processing facility is processing timesheets within five business days, assess penalties when warranted, and report the results of this monitoring to Social Services on a monthly basis.	Office of Systems Integration	Fully Implemented
9. To ensure that the reports it receives from Hewlett Packard Enterprise are complete and allow it to better manage the Case Management, Information and Payrolling System and support the In-Home Supportive Services (IHSS) program, OSI should enforce its agreement requiring Hewlett Packard Enterprise to submit monthly data on the number of timesheets with exceptions by county and the time taken to resolve them.	Office of Systems Integration	Fully Implemented

**Report Number 2016-133*****SAFE-BIDCO: At Risk of Insolvency, It Needs Increased Oversight if It Is to Receive State Funding and Continue to Help Small Businesses in California Gain Financing (April 2017)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that the State Assistance Fund for Enterprise, Business, and Industrial Development Corporation's (SAFE-BIDCO) operations are subject to appropriate oversight and to fulfill its mission of providing financing to small businesses, the Legislature should establish SAFE-BIDCO as a program within the Treasurer's Office.	Legislature	No Longer Necessary
2. To track SAFE-BIDCO's performance in fulfilling its mission to provide assistance to California small businesses, the Legislature should require SAFE-BIDCO to report to the Legislature annually on its revenue and expenses and the success of its programs.	Legislature	No Longer Necessary
3. If it is not established as a program within a state entity, SAFE-BIDCO should by April 2018 research options to address its obligations, such as setting aside funds dedicated to its other post-employment benefits (OPEB) liabilities and take appropriate action based on the research performed to ensure that it has sufficient funding to fulfill its OPEB obligations to its employees and retirees.	State Assistance Fund for Enterprise, Business, and Industrial Development Corporation (SAFE-BIDCO)	Resolved
4. If it is not established as a program within a state entity, SAFE-BIDCO should take steps to raise funds by seeking donations to obtain needed capital.	SAFE-BIDCO	Resolved
5. If it is not established as a program within a state entity, SAFE-BIDCO should by October 2017 take steps to increase participation on its subcommittees by its board members, such as by assigning board members to subcommittees, to receive the full range of experience and expertise of its board members.	SAFE-BIDCO	Resolved
6. To obtain the best value for its limited funds, SAFE-BIDCO should by October 2017 establish a policy and related procedures requiring that it seek competitive bids for significant contracted services. The policy should establish a dollar threshold for what services SAFE-BIDCO considers significant.	SAFE-BIDCO	Resolved
7. Regardless of whether the Legislature establishes SAFE-BIDCO as a program within a state entity, it should do the following: <ul style="list-style-type: none"> <li>To ensure that it spends its funds furthering its mission of helping California small businesses, SAFE-BIDCO should decrease its travel expenses by adopting a travel budget in consideration of its expenses and mission and limiting out-of-state travel.</li> </ul>	SAFE-BIDCO	Resolved
8. SAFE-BIDCO should by October 2017 create one central report that includes revenue goals and actual performance for each program it operates to ensure that decision makers, such as the board of directors, Legislature, and other stakeholders have sufficient information to assess its performance.	SAFE-BIDCO	Resolved

9. SAFE-BIDCO should by October 2017 establish policies and procedures for a supervisory review process of its loan files to ensure that its loans comply with the requirements of its programs.	SAFE-BIDCO	Resolved
10. To ensure consistency of its reviews and approvals of loan applications, SAFE-BIDCO should establish a process to provide all loan committee members with its financing assistance policy.	SAFE-BIDCO	Resolved
11. To make certain that loan committee members are aware of statutory requirements, SAFE-BIDCO should revise its financing assistance policy to ensure that it contains all required language, including emphasizing consideration of applications that will increase employment of disadvantaged, disabled, or unemployed persons or increase employment of youth residing in areas of high youth unemployment and delinquency.	SAFE-BIDCO	Resolved

**Report Number 2016-124**

**Department of General Services and California Department of Technology: Neither Entity Has Provided the Oversight Necessary to Ensure That State Agencies Consistently Use the Competitive Bidding Process (June 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To improve its oversight of the State's noncompetitive contracts, the Department of General Services (General Services) should immediately ensure that agencies enter accurate and complete contract information into the Financial Information System for California (FI\$Cal). For example, General Services should regularly select contracts from agencies and verify the accuracy and completeness of the related entries in FI\$Cal.	Department of General Services	Fully Implemented
2. To improve its oversight of the State's noncompetitive contracts, General Services should, within 90 days, modify FI\$Cal to include a standard amendment indicator to identify an item as an amendment, including the amendment number with respect to the contract, that agencies can use regardless of whether they make their procurements using FI\$Cal. This indicator should ensure that General Services can reliably analyze and report on the number, values, and types of exemptions from competitive bidding of the State's contract amendments. General Services should notify all agencies of this change and ensure that the notification provides appropriate guidance for the use of the amendment indicator.	Department of General Services	Fully Implemented
3. To improve its oversight of the State's noncompetitive contracts, General Services should, within 90 days, create plans for regularly performing statewide analyses to identify potential abuse or overuse of noncompetitive contracts. These analyses should include, but not be limited to, calculating the proportional value and number of the State's competitive and noncompetitive contracts and amendments, examining trends in agencies' use of noncompetitive contracts and amendments, and identifying unusual patterns among vendors receiving state contracts through noncompetitive means.	Department of General Services	Will Not Implement
4. To improve its oversight of the State's noncompetitive contracting related to reportable information technology projects and telecommunication procurements, the California Department of Technology (Technology Department) should create plans within 90 days for regularly performing statewide analyses of FI\$Cal data to identify potential abuse or overuse of noncompetitive contracts. These analyses should include, but not be limited to, calculating the proportional value and number of the State's competitive and noncompetitive contracts and amendments, examining trends in agencies' use of noncompetitive contracts and amendments, and identifying unusual patterns among vendors receiving state contracts through noncompetitive means.	California Department of Technology	Fully Implemented

<p>5. To promote accountability for and transparency of the State’s noncompetitive request process, the Legislature should require General Services and the Technology Department to submit an annual report of all noncompetitive requests they approve with values over \$1 million. This report should include performance metrics such as the percentage of procurement dollars approved as noncompetitive requests. This could be a published annual report or the two agencies could provide this information publicly on their websites. In addition, the Legislature could require agencies to publicly justify their noncompetitive requests in Legislative hearings when it sees fit. For each noncompetitive request listed in the annual report, General Services and Technology should include—at a minimum—the following information:</p> <ul style="list-style-type: none"> <li>• Contracting agency.</li> <li>• Original contract value (if applicable).</li> <li>• Noncompetitive request value.</li> <li>• Numbers and values of noncompetitive amendments (if applicable).</li> <li>• Mechanisms applied to enforce compliance.</li> </ul>	Legislature	Legislation Proposed But Not Enacted
<p>6. To clarify the allowable reasons for using noncompetitive requests and to ensure that agencies understand these reasons, General Services should, within 180 days, enhance the criteria in the State Contracting Manual to include examples of appropriate and inappropriate circumstances related to justifying a noncompetitive request. In particular, it should clearly reiterate that poor contract planning is not a sufficient justification for a noncompetitive request for all acquisition types. Further, General Services should develop specific criteria for what constitutes an appropriate noncompetitive request for non-IT services acquisitions. General Services should notify all agencies of the clarifications in the State Contracting Manual and should reiterate that all noncompetitive requests must meet the enhanced criteria.</p>	Department of General Services	Fully Implemented
<p>7. To ensure that the State receives the best value for its contracts, General Services should immediately begin performing the following:</p> <ul style="list-style-type: none"> <li>• For contracts that are exempt from competition by policy or statute, including noncompetitive requests for contracts, General Services should require agencies to justify that the price is fair and reasonable. This should include a current price analysis pointing to competitive pricing from another contract, such as a statewide agreement, or a comparison of rates to other available vendors, or another valid price analysis with objective evidence.</li> </ul>	Department of General Services	Fully Implemented
<p>8. To ensure that the State receives the best value for its contracts, for noncompetitive requests, General Services should immediately require agencies to quantify and substantiate their cost savings or averted costs.</p>	Department of General Services	Fully Implemented
<p>9. To ensure that it holds agencies accountable for implementing the corrective action plans that they submit with noncompetitive requests, General Services should immediately begin tracking all outstanding plans and following up to ensure that agencies complete them. For example, General Services should require an agency to include key dates in its corrective action plan that the agency plans to meet to conduct a competitive procurement and report its progress to General Services. Further, General Services should inquire about the steps that agencies have taken before the contract expiration dates in their most recent noncompetitive requests.</p>	Department of General Services	Fully Implemented
<p>10. To ensure that it consistently and appropriately responds when agencies fail to justify their noncompetitive requests, plan sufficiently to avoid the noncompetitive process, or follow their corrective action plans, General Services should create an escalation process within 90 days that outlines the order and severity of enforcement mechanisms it will use. The mechanisms it applies should escalate according to the number or severity of offenses it identifies. For example, General Services could begin by sending a warning letter to high-level agency executives, followed by reducing or revoking an agency’s purchasing threshold for specific types of acquisitions—for example, IT services—and finally by reducing or revoking an agency’s purchasing threshold for all acquisition types in scenarios of repetitive noncompliance.</p>	Department of General Services	Fully Implemented

<p>11. To ensure that the State receives the best value for its noncompetitive requests, Technology should immediately begin to require that agencies justify that the price is fair and reasonable. This should include a current price analysis pointing to competitive pricing from another contract, such as a statewide agreement, or a comparison of rates to other available vendors, or another valid price analysis with objective evidence. Further, Technology should require agencies to quantify and substantiate their cost savings or averted costs.</p>	<p>California Department of Technology</p>	<p>Fully Implemented</p>
<p>12. To ensure that it holds agencies accountable for implementing the corrective action plans that they submit with noncompetitive requests, the Technology Department should immediately begin tracking all outstanding corrective action plans and following up to ensure that agencies complete them. For example, the Technology Department should require that an agency include key dates in its corrective action plan that the agency plans to meet to conduct a competitive procurement and report its progress to the Technology Department. Further, the Technology Department should inquire about the steps that agencies have taken before the contract expiration dates in their most recent noncompetitive requests.</p>	<p>California Department of Technology</p>	<p>Fully Implemented</p>
<p>13. To ensure that agencies do not repeatedly submit inappropriate noncompetitive requests after receiving a warning, Technology should track and follow up on instances in which it has issued a warning letter. Further, when appropriate, Technology should follow through with the consequences it includes in its warning letters.</p>	<p>California Department of Technology</p>	<p>Fully Implemented</p>

**Report Number 2017-107**

***Santa Clara County Registrar of Voters: Insufficient Policies and Procedures Have Led to Errors That May Have Reduced Voters' Confidence in the Registrar's Office (October 2017)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To ensure the accuracy of voting district boundaries and to allow Santa Clara County Registrar of Voters (Santa Clara) to make changes to existing boundaries as necessary, Santa Clara should establish a procedure requiring Mapping staff to ask each voting district either to certify that its boundaries are accurate and unchanged or to provide an updated map of its boundaries at least 125 days before each general district election.</p>	<p>Santa Clara County Registrar of Voters</p>	<p>Fully Implemented</p>
<p>2. Santa Clara should immediately coordinate with Information Services to access the most current maps from other county departments, such as the Santa Clara Assessor, to verify the accuracy of the district maps.</p>	<p>Santa Clara County Registrar of Voters</p>	<p>Fully Implemented</p>
<p>3. To reduce errors and potentially its workload, Santa Clara should research by January 2018 its opportunities to integrate mapping software with its election management software, and Santa Clara should implement this integration of mapping software technology by June 2018.</p>	<p>Santa Clara County Registrar of Voters</p>	<p>Pending</p>
<p>4. Santa Clara should promptly seek compensation from its vendors for all costs associated with rectifying vendor errors that occur in the future.</p>	<p>Santa Clara County Registrar of Voters</p>	<p>Fully Implemented</p>
<p>5. To make certain that its staff learn of election-related errors and identify trends in error types, and to allow Santa Clara to identify necessary modifications to processes that will reduce or eliminate such errors, Santa Clara should immediately formalize a policy requiring the continued use of a spreadsheet similar to the one it created to track election-related errors.</p>	<p>Santa Clara County Registrar of Voters</p>	<p>Fully Implemented</p>
<p>6. To ensure accuracy and consistency in the creation, review, and distribution of election-related materials, Santa Clara should review and document in detail all policies and procedures by October 2018, prioritizing its documentation for the divisions that are responsible for the most frequent and egregious election-related errors. Specifically, Santa Clara should review and formalize Mapping policies and procedures by January 2018, to allow time for implementation before the June primary election process. By October 2018, Santa Clara should review and formalize policies and procedures for the remaining divisions—including Ballot Layout, Candidate Services, and Vote by Mail—to provide adequate time for implementation before the November general election process.</p>	<p>Santa Clara County Registrar of Voters</p>	<p>Pending</p>

continued on next page...

7. To reduce the risk of staff errors, inconsistencies in procedures, and the loss of institutional knowledge in the creation, review, and distribution of election-related materials, Santa Clara should develop and implement training for its staff that includes instructions on its comprehensive policies and procedures. The development of this training should take place concurrently with Santa Clara's detailed documentation of its policies and procedures, and Santa Clara should require relevant staff to attend this training before each major election.	Santa Clara County Registrar of Voters	Pending
8. To ensure the accuracy of election-related materials, Santa Clara should immediately implement a procedure for candidates, voting districts, or others who submit documents to have them verify the accuracy of the electronic versions of those documents once Santa Clara has formatted them.	Santa Clara County Registrar of Voters	Fully Implemented
9. To ensure consistency in responding to election-related errors, Santa Clara should immediately implement a contingency plan or decision matrix that includes specific guidelines for the actions it will take based on the number of voters affected and the significance of the error. In instances in which it chooses to deviate from this plan, Santa Clara should document its reasons for deciding to do so.	Santa Clara County Registrar of Voters	Fully Implemented
10. To maintain the public's confidence in it and its functions, Santa Clara should immediately include in its postelection reports descriptions of any election-related errors, accounts of why the errors occurred, and explanations of how it plans to prevent similar errors from occurring in the future.	Santa Clara County Registrar of Voters	Fully Implemented
11. The Secretary of State should adopt regulations establishing clear criteria for mistakes in election-related materials that constitute reportable errors and require counties to report these errors to it after each election.	California Secretary of State	Pending
12. Beginning in December 2018, the Secretary of State should implement annual risk-based reviews of a selection of county election officials' offices to ensure their compliance with state election laws and regulations.	California Secretary of State	Pending
13. To inform and enhance the guidance it provides to county election officials, the Secretary of State should analyze error reports and its risk-based review results to focus its guidance on topics most relevant to improving elections throughout the State.	California Secretary of State	Pending

### Report Number 2017-106

#### *The Bradley-Burns Tax and Local Transportation Funds: Changing the Allocation Structure for the Bradley-Burns Tax Would Result in a More Equitable Distribution of Local Transportation Funding (November 2017)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that the Bradley-Burns Uniform Local Sales and Use Tax (Bradley-Burns tax) revenue is more evenly distributed and remove the incentive for local jurisdictions to vie for commercial development as a means to increase their tax revenue, the Legislature should amend the Bradley-Burns tax law to allocate revenues from Internet sales based on the destination of sold goods (a destination-based allocation structure) rather than their place of sale (situs-based).	Legislature	Legislation Proposed But Not Enacted
2. To increase budgetary control and ensure that it has the information necessary to make decisions that reflect the State's best interests, the Legislature should regularly review and evaluate tax expenditures, including exemptions and exclusions to the Bradley-Burns tax and general sales and use taxes, by performing annual reviews of existing tax expenditures and eliminating those that no longer serve their intended purposes.	Legislature	No Action Taken
3. To increase budgetary control and ensure that it has the information necessary to make decisions that reflect the State's best interests, the Legislature should regularly review and evaluate tax expenditures, including exemptions and exclusions to the Bradley-Burns tax and general sales and use taxes, by reviewing tax expenditures that have no stated legislative purpose and either adding clarifying language to those statutes or eliminating them.	Legislature	No Action Taken

<p>4. To increase budgetary control and ensure that it has the information necessary to make decisions that reflect the State's best interests, the Legislature should regularly review and evaluate tax expenditures, including exemptions and exclusions to the Bradley-Burns tax and general sales and use taxes, by requiring the Franchise Tax Board and the Department of Finance to include in their annual reports on tax expenditures the estimated costs of those expenditures before implementation compared to actual forgone revenues to date.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>5. To increase the tax bases for the general sales and use taxes and the Bradley-Burns tax, the Legislature should amend state law to specify that digital goods are taxable.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>6. To help address California's e-commerce tax gap and further ensure out-of-state retailers' compliance with state law regarding nexus, the California Department of Tax and Fee Administration should implement a two-year pilot of its authorized reward program for information resulting in the identification of unreported sales and use taxes.</p>	<p>California Department of Tax and Fee Administration</p>	<p>Pending</p>

**Report Number 2017-103**

**Workers' Compensation Insurance: The State Needs to Strengthen Its Efforts to Reduce Fraud (December 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To better ensure that the payments insurers issue to providers for workers' compensation claims are based on valid services, the Legislature should require workers' compensation insurers to periodically provide explanation of benefits statements to injured employees.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>2. To reduce insurers' potential underreporting of workers' compensation fraud, the California Department of Insurance (CDI) should, by June 30, 2018, create a public report that ranks workers' compensation insurers based on the effectiveness of their antifraud efforts, including the rate at which they submit fraud referrals.</p>	<p>Department of Insurance</p>	<p>Fully Implemented</p>
<p>3. To reduce insurers' potential underreporting of workers' compensation fraud, CDI should, by June 30, 2018, add a requirement that it consider rates of fraud claim referrals when selecting insurers to audit and that it give priority to those insurers with high volumes of premiums and very low numbers of referrals.</p>	<p>Department of Insurance</p>	<p>Fully Implemented</p>
<p>4. To ensure the growth and effectiveness of its data analytics efforts to identify provider fraud, Industrial Relations should better document its data analytics effort within its protocol manual by June 30, 2018.</p>	<p>Department of Industrial Relations</p>	<p>Fully Implemented</p>
<p>5. To better address vacancies in its fraud investigator positions, CDI should, by June 30, 2018, develop and implement a retention plan. This plan should be based on the results of in-person exit interviews with separating staff or similar tools, such as satisfaction surveys, to identify and address potential causes for separation other than pay. CDI should share the results of any trends arising from its exit interviews as well as its analyses of survey responses with the appropriate units as it deems necessary.</p>	<p>Department of Insurance</p>	<p>Fully Implemented</p>
<p>6. To better address vacancies in its fraud investigator positions, CDI should, by June 30, 2018, revise its recruiting plan to include the recruitment and hiring of retired local law enforcement officers.</p>	<p>Department of Insurance</p>	<p>Fully Implemented</p>
<p>7. To better enable the Fraud Commission to determine an appropriate amount for the total annual fraud assessment, CDI should, within 60 days and periodically thereafter, meet with the Fraud Commission and agree upon specific information to include in the Fraud Division's report to the Fraud Commission. Additional information could, for example, include a comparison of proposed, projected, and actual expenditures by category for a specific fiscal year, calculated using a consistent methodology.</p>	<p>Department of Insurance</p>	<p>Fully Implemented</p>
<p>8. To better ensure the timely and effective use of fraud assessment funds to fight workers' compensation fraud in California, CDI should, by June 30, 2018, develop and implement a process to use its unspent funds to augment funding to district attorneys' offices rather than to offset collections from employers for subsequent years.</p>	<p>Department of Insurance</p>	<p>Fully Implemented</p>

**Report Number 2018-037****California Department of Housing and Community Development: Its Oversight of Housing Bond Funds Remains Inconsistent (September 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. Given the California Department of Housing and Community Development's (HCD) long-standing history of inadequate monitoring for some of its programs and the additional funds HCD could receive for CalHome under the November 2018 ballot measure, the Legislature should require HCD to disclose information about such monitoring in its annual report, which it should submit to the Assembly Committee on Housing and Community Development and the Senate Committee on Transportation and Housing. The report should identify all of the awards that HCD monitors for the CalHome and CalHome and Building Equity and Growth in Neighborhoods (BEGIN) programs and should include performance metrics such as the amount of funds awarded but not disbursed to recipients and therefore not issued to potential homeowners. The Legislature should also require HCD to disclose in its annual report—at a minimum—the following information for all awards that HCD is responsible for monitoring in the BEGIN programs:</p> <ul style="list-style-type: none"> <li>• The amount of the original awards to recipients, the portions not yet disbursed to recipients, and an estimate of how many individuals could benefit from the remaining balance.</li> <li>• Any extensions HCD granted to the standard agreement and the number of and reason for those extensions.</li> <li>• The total balance of all recipients' CalHome and BEGIN reuse accounts, detailing the loan repayments recipients are required to reissue for program purposes and an estimate of how many households could benefit from the balance.</li> <li>• A section describing HCD's monitoring efforts, including the collection of performance reports and the results of the risk assessments and on-site monitoring.</li> </ul>	Legislature	No Action Taken
<p>2. The Legislature should require the Business, Consumer Services and Housing Agency to monitor HCD's efforts and to submit a report annually to the Legislature demonstrating that HCD is continuing to implement our recommendations.</p>	Legislature	No Action Taken
<p>3. To ensure that it appropriately monitors CalHome as required by statute, regulation, and program guidelines, HCD should, by January 1, 2019, develop an annual plan for its CalHome on-site visits, which should be based on its risk assessments. The risk assessments should consider, among other things, which recipients have not submitted required performance reports.</p>	Department of Housing and Community Development	Fully Implemented
<p>4. To ensure that it appropriately monitors CalHome as required by statute, regulation, and program guidelines, HCD should perform the on-site visits it proposes in its annual plan.</p>	Department of Housing and Community Development	Pending
<p>5. To ensure that it appropriately monitors CalHome as required by statute, regulation, and program guidelines, HCD should immediately collect all required reports and follow up with recipients to obtain missing reports. Staff should withhold fund disbursements from recipients that have not submitted required reports. If the submitted reports reveal a problematic trend, such as a recipient not disbursing funds, HCD should take appropriate corrective action with the recipient.</p>	Department of Housing and Community Development	Pending
<p>6. To ensure that it appropriately monitors CalHome as required by statute, regulation, and program guidelines, HCD should immediately stop providing extensions to standard agreements to recipients if those extensions would cause HCD to not spend the full award within the 36-month term and therefore violate its regulations.</p>	Department of Housing and Community Development	Fully Implemented
<p>7. To ensure that HCD appropriately monitors BEGIN as required by statute, regulations, and program guidelines, HCD should immediately collect and review all required reports, and it should follow up with recipients to obtain any missing reports. If the reports reveal a problematic trend, such as a recipient not disbursing funds, HCD should take appropriate corrective action with the recipient.</p>	Department of Housing and Community Development	Pending

<p>8. To ensure that the IIG program award funds benefit the target population, HCD should develop and use a tool by December 1, 2018, to track which awards are monitored by local jurisdictions or by other HCD programs and which are not monitored at all. HCD should then immediately obtain monitoring reports from the local jurisdictions and other HCD programs to verify monitoring and review the results of such monitoring. HCD should follow up on any noted deficiencies. Further, HCD should, by January 1, 2019, develop a plan to perform on-site visits for those recipients that do not receive adequate monitoring from another source, and it should perform the planned on-site monitoring.</p>	<p>Department of Housing and Community Development</p>	<p>Pending</p>
<p>9. To ensure that single-family farmworker housing program recipients continue to qualify for housing, HCD should implement policies and procedures by December 1, 2018, to ensure that the information the recipients provide in the self-certification letters is accurate and complete by requiring that they include documentation as proof. HCD should also follow up to ensure that it receives responses to its annual compliance letters from all recipients.</p>	<p>Department of Housing and Community Development</p>	<p>Fully Implemented</p>
<p>10. To ensure that it maximizes the benefit of the funds it has invested in the Consolidated Automated Program Enterprise System's (CAPES) development and to support its ongoing efforts to improve CAPES's usability, HCD should, by January 1, 2019, perform an assessment of those programs that do not fully use CAPES.</p>	<p>Department of Housing and Community Development</p>	<p>Pending</p>
<p>11. To ensure that it maximizes the benefit of the funds it has invested in CAPES's development and to support its ongoing efforts to improve CAPES's usability, HCD should, by January 1, 2019, determine to what extent the programs could be using CAPES at its current level of development to capture information.</p>	<p>Department of Housing and Community Development</p>	<p>Pending</p>
<p>12. To ensure that it maximizes the benefit of the funds it has invested in CAPES's development and to support its ongoing efforts to improve CAPES's usability, HCD should, by January 1, 2019, formally direct staff working on those programs to enter data into CAPES and then use those data to manage the contracts and staff workloads associated with the programs.</p>	<p>Department of Housing and Community Development</p>	<p>Fully Implemented</p>
<p>13. To ensure that it maximizes the benefit of the funds it has invested in CAPES's development and to support its ongoing efforts to improve CAPES's usability, HCD should, by January 1, 2019, develop a remediation plan to augment CAPES in the specific ways required by any HCD programs that are currently unable to use the system for their operational needs. Concurrent with the remediation plan, HCD should develop realistic project management plans, including project milestones, for completing the necessary system upgrades.</p>	<p>Department of Housing and Community Development</p>	<p>Pending</p>
<p>14. To ensure that it maximizes the benefit of the funds it has invested in CAPES's development and to support its ongoing efforts to improve CAPES's usability, HCD should, by January 1, 2019, develop a documented process to ensure that all data in CAPES are accurate and complete. This process should include all phases of contract management, including monitoring. HCD should implement a routine periodic review of this process and update the process as necessary.</p>	<p>Department of Housing and Community Development</p>	<p>Pending</p>
<p>15. In conjunction with the planning efforts outlined above and to ensure that it can most efficiently manage its limited resources related to information, HCD should develop a cost-benefit analysis by March 1, 2019, that addresses the costs of continuing to maintain and enhance CAPES in the long term versus the acquisition and maintenance costs of an off-the-shelf database product. At a minimum, it should include the following:</p> <ul style="list-style-type: none"> <li>• All costs associated with CAPES's enhancement, support, and future maintenance.</li> <li>• A documented methodology, including all assumptions, and thorough documentation of the sources for the underlying data.</li> </ul>	<p>Department of Housing and Community Development</p>	<p>Pending</p>

<p>16. To ensure that it is able to meet its administrative monitoring obligations and that it uses housing bond funds in compliance with state law, regulations, and program guidelines, HCD should develop a long-term plan by January 1, 2019, for how it will avoid exceeding the administrative cost limits of those programs in the most immediate danger of overage and for how it will address instances when it has exceeded administrative cost limits. The plan should identify the programs at risk of exceeding the limit; the actions HCD will take for each program to gain efficiencies; its plan for moving staff between programs; a request for more money or legislative changes such as modifying the statutory limit on administrative spending, if necessary; and an evaluation of the consequences of not fulfilling its monitoring obligations.</p>	<p>Department of Housing and Community Development</p>	<p>Pending</p>
<p>17. To ensure that it complies with state law, prudently uses administrative funding, and promotes transparency, HCD should obtain a legal opinion on whether it can use CalHome funding to monitor BEGIN awards. If it cannot, it should cease doing so.</p>	<p>Department of Housing and Community Development</p>	<p>Fully Implemented</p>
<p>18. To ensure that it complies with state law, prudently uses administrative funding, and promotes transparency, HCD should calculate and retain only funds equal to its actual administrative costs in instances when it does not disburse awarded funds to a recipient and subsequently grants the funds to another recipient.</p>	<p>Department of Housing and Community Development</p>	<p>Pending</p>
<p>19. To ensure that it does not exceed administrative cost restrictions and that it maximizes the funds intended to address target populations' housing needs, HCD should estimate when it will run out of administrative funds for any specific program, document its projection methodology, and provide underlying data and support for its estimates. The projections should include, but not be limited to, actual staff time spent on the program, the number of awards being monitored, and the length of monitoring. Staff should provide these projections and methodologies to management for review and approval by December 1, 2018, and then at least biannually thereafter.</p>	<p>Department of Housing and Community Development</p>	<p>Pending</p>

## Assembly Budget Subcommittee 5 on Public Safety

### Report Number I2017-1

#### *Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)*

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. The California Department of Corrections and Rehabilitation (Corrections) should require the parole agent to submit a personal use certification for the personal use of her assigned state vehicles from June 2015 to present.	Department of Corrections and Rehabilitation	Fully Implemented
2. Corrections should review the duty statements of all employees within the parole division who have held the positions discussed in this report and who have state vehicles for their exclusive use to determine whether the assignments of state vehicles comply with the laws and policies of the State and the parole division. If Corrections determines that a vehicle assignment is appropriate, it should modify each employee's duty statement to indicate the percentage of time the employee should expect to perform fieldwork, ensure that the state vehicles assigned to these employees are not pool vehicles, and ensure that each employee has an approved home storage permit on file.	Department of Corrections and Rehabilitation	Fully Implemented
3. Corrections should discontinue the practice of assigning pool vehicles for the exclusive use of individuals to circumvent state laws and parole division policies.	Department of Corrections and Rehabilitation	Fully Implemented
4. Corrections should train all parole division employees who drive state vehicles about how to properly document their use of a state vehicle on their mileage logs, how to obtain a home storage permit and for whom it is necessary, how and when to submit a personal use certification reporting all personal commutes driven in a state vehicle.	Department of Corrections and Rehabilitation	Fully Implemented
5. Corrections should train all parole division supervisors who oversee employees with state vehicles regarding the department's policy for the proper usage and storage of state vehicles.	Department of Corrections and Rehabilitation	Fully Implemented
14. Corrections should seek repayment from the program chief for the \$2,520 in improper payments.	Department of Corrections and Rehabilitation	Fully Implemented
15. Corrections should revise the Institutional Worker Supervision Pay (IWSP) procedure to require that personnel staff review and ensure that an employee's direct supervisor signs the qualifying employee's timesheets and IWSP documents each month.	Department of Corrections and Rehabilitation	Partially Implemented
16. Corrections should ensure that all Corrections and Correctional Health Care organization charts are current and accurate and that the assigned personnel specialist has access to them.	Department of Corrections and Rehabilitation	Fully Implemented
17. Corrections should enforce its current procedure to retain IWSP documentation.	Department of Corrections and Rehabilitation	Partially Implemented
18. Corrections should enforce its current procedure for personnel staff to conduct annual audits of the IWSP program.	Department of Corrections and Rehabilitation	Partially Implemented
19. Corrections should train all employees, supervisors, and personnel staff who receive, approve, or issue the extra pay to ensure that they are familiar with the requirements of the IWSP procedure and Pay Differential 67.	Department of Corrections and Rehabilitation	Partially Implemented

continued on next page...

**Report Number 2016-126****California Department of Social Services: Its Caregiver Background Check Bureau Lacks Criminal History Information It Needs to Protect Vulnerable Populations in Licensed Care Facilities (March 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that Department of Social Services (Social Services) receives all necessary information for making exemption decisions, the Legislature should amend state law to require the Department of Justice (Justice) to send the Social Services all available sentencing information for all convictions. Additionally, the Legislature should amend state law to require Justice to send juvenile criminal history information related to serious and violent felony offenses as well as any other juvenile criminal history that Social Services identifies as valuable to its exemption reviews.	Legislature	Legislation Enacted
2. To ensure that any entity authorized by state or federal law to receive state or federal criminal history information subsequent to receiving the initial RAP sheet is informed of all criminal activity of an individual, the Legislature should amend state law to clearly direct Justice to transmit all convictions it receives to the entities authorized to receive subsequent criminal history and require Justice to obtain and transmit subsequent federal RAP sheets to all entities authorized to receive subsequent California criminal history information and to report to the Legislature periodically about its implementation efforts.	Legislature	No Action Taken
4. To ensure that Social Services receives all appropriate criminal history information, Justice should immediately update its procedures to accurately reflect that staff should disseminate nonreferable arrests when there is a corresponding conviction and ensure that staff follow these updated procedures.	Department of Justice	Fully Implemented
18. To ensure that Social Services receives criminal history information within 14 days of receiving an individual's fingerprint information, as state law requires, by July 2017 Justice should analyze its process, including delayed transmissions, implement changes to address problems it identifies, and regularly measure itself against the requirement to determine whether it is meeting its statutory requirement.	Department of Justice	Partially Implemented
19. To ensure that it has complete disposition information, Justice should coordinate with the Judicial Council of California (Judicial Council) at least once a year to share information about court reporting gaps and to determine the need to distribute additional information to courts about reporting requirements and the manner in which to report. In addition, Justice should reconvene its advisory committee and meet on a regular basis to discuss, at a minimum, improving the frequency and timeliness with which courts report dispositions to Justice and law enforcement agencies report arrest information to Justice.	Department of Justice	Partially Implemented
20. To ensure that it is receiving all arrest information from law enforcement agencies, at a minimum, Justice should consider trends in the number of arrest reports each law enforcement agency sends it and the number of reports that it might expect to receive from an agency given the agency's size, location, and reporting history. Whenever Justice identifies a law enforcement agency that it determines may not be reporting all required information, it should request that the agency forward all required arrest information.	Department of Justice	Pending

**Report Number 2017-030**

***The State Bar of California: It Needs Additional Revisions to Its Expense Policies to Ensure That It Uses Funds Prudently (June 2017)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To better align its compensation practices with those of comparable agencies, the State Bar of California (State Bar) should update and formalize its salaries and benefits policies by continuing its negotiations with the union to transition represented employees to an eight-hour workday and a 40-hour workweek, and to implement new salary and job classifications.	State Bar of California	Fully Implemented
2. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies by implementing an eight-hour workday and a 40-hour workweek, as well as new salary and job classifications, for its nonrepresented employees by July 2017.	State Bar of California	Fully Implemented
3. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies by requiring a contribution rate to health care costs for nonrepresented employees that is equal to the contribution rate for represented employees by January 2018.	State Bar of California	Fully Implemented
4. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies for executive employees hired on or after January 1, 2018, to require that contributions to post-retirement health care costs are at a rate equivalent to their contributions during employment at the State Bar.	State Bar of California	Fully Implemented
5. To better align its compensation practices with those of comparable agencies, the State Bar should update and formalize its salaries and benefits policies by developing and adopting a formal policy by December 2017 to regularly compare staff compensation and benefits with those of comparable agencies.	State Bar of California	Fully Implemented
6. To assign purchasing cards only to appropriate staff, ensure that the State Bar's records of employees' credit limits reflect those established with the bank, and to verify that staff use purchasing cards only for allowable and necessary expenses, the State Bar should immediately develop a policy that requires justification of the business needs for employees to receive purchasing cards, and use this policy to limit the number of staff issued a purchasing card.	State Bar of California	Partially Implemented
7. To assign purchasing cards only to appropriate staff, ensure that the State Bar's records of employees' credit limits reflect those established with the bank, and to verify that staff use purchasing cards only for allowable and necessary expenses, the State Bar should immediately restrict the use of purchasing cards to its original purpose, which was for low-dollar and frequently occurring purchases. For purchases above \$5,000, the State Bar should require the vendor to bill for payment.	State Bar of California	Partially Implemented
8. To demonstrate its commitment to the board's prohibition of all State Bar spending on alcohol, the State Bar should immediately update its procurement manual to reflect this prohibition.	State Bar of California	Fully Implemented
9. To ensure that its costs are reasonable and appropriate, the State Bar should update its meal and catering policy to align with the meal policy of the State's Executive Branch and should require individuals attending committee meetings for the State Bar to comply with standard meal per diem rates.	State Bar of California	Partially Implemented
10. To make certain that the costs for sections events are reasonable and prudent, the State Bar should require that the sections follow the State Bar's meal per diem and lodging rates, and require the sections to limit expenses for events to only those activities that are reasonable and necessary. For off-site events, the State Bar should require the sections to follow the State Bar's existing policy of providing written justification of a significant business need to hold the event off-site and obtain approval from the executive director or chief operating officer.	State Bar of California	Resolved

continued on next page...

11. To ensure that its lobbying expenses are reasonable and cover only allowable activities, the State Bar should revise the terms of its pending lobbying contract to require that the lobbyists provide sufficiently detailed invoices that support the amounts they bill for their services.	State Bar of California	Fully Implemented
12. To ensure that it contracts only for appropriate and necessary services from outside law firms at a prudent rate, the State Bar should put its informal practice into a written policy regarding its assessment of the need for outside counsel, including whether the State Bar's attorneys can provide the specified legal services.	State Bar of California	Fully Implemented
13. To ensure that it contracts only for appropriate and necessary services from outside law firms at a prudent rate, the State Bar should put its informal practice into a written policy regarding its evaluation of the State Bar's past experiences with the law firms being considered.	State Bar of California	Fully Implemented
14. To ensure that it contracts only for appropriate and necessary services from outside law firms at a prudent rate, the State Bar should put its informal practice into a written policy regarding its process to select the outside legal firms, including documentation of proposals from other prospective law firms and the costs it considers reasonable for the legal services.	State Bar of California	Fully Implemented
15. To reduce its reliance on outside legal counsel, the State Bar should continue its efforts to hire staff to fill its remaining vacant attorney positions.	State Bar of California	Partially Implemented
16. To increase transparency, the State Bar should disclose annually to the board a list of all contracts with outside law firms—including a description of the services provided, the need for such contracts, and the value and length of the contracts.	State Bar of California	Fully Implemented
17. To better measure how well its attorney discipline program is meeting the State Bar's core mission to protect the public from attorney misconduct, the State Bar should, by December 2017, identify key goals and metrics for the attorney discipline system.	State Bar of California	Partially Implemented

### Report Number 2016-131

#### California Department of Corrections and Rehabilitation: It Must Increase Its Efforts to Prevent and Respond to Inmate Suicides (August 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To provide additional accountability for Corrections' efforts to respond to and prevent inmate suicides and attempted suicides, the Legislature should require that Corrections report to it in April 2018 and annually thereafter on the following issues: 1) its progress toward meeting its goals related to the completion of risk evaluations in a sufficient manner; 2) its progress toward meeting its goals related to the completion of 72-hour treatment plans in a sufficient manner; 3) the status of its efforts to ensure that all mental health staff receive required training and mentoring related to suicide prevention and response; 4) the status of its efforts to fill vacancies in its mental health treatment programs, especially its efforts to hire and retain psychiatrists; 5) its progress in implementing the recommendations made by the special master's experts, the court-appointed suicide expert, and its own reviewers regarding inmate suicides and attempts and Corrections should include in its report to the Legislature the results of any audits it conducts as part of its planned audit process to measure the success of changes it implements as a result of these recommendations; 6) its progress in identifying and implementing mental health programs that may ameliorate risk factors associated with suicides at the prisons.	Legislature	Legislation Enacted
2. Corrections should immediately require mental health staff to score 100 percent on risk evaluation audits in order to pass. If a staff member does not pass, Corrections should require the prison to follow its current policies by reviewing additional risk evaluations to determine whether the staff member needs to undergo additional mentoring.	Department of Corrections and Rehabilitation	Will Not Implement

<p>3. To ensure that it identifies inmates who are at risk of attempting suicide and determines the treatments needed to prevent them from doing so, Corrections should immediately reevaluate and revise its goals for the percentage of risk evaluations that mental health staff must complete on time and for the percentage of risk evaluations that must pass its risk evaluation audits. It should set revised goals that better take into consideration the importance of mental health staff completing adequate risk evaluations in a timely matter. Corrections should require prisons that perform below its revised goals to develop improvement plans.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Fully Implemented</p>
<p>4. To improve the quality of its risk evaluations, by December 2017 Corrections should develop and incorporate into its electronic risk evaluation form prompts to aid mental health staff in completing adequate risk evaluations that meet all audit criteria.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Fully Implemented</p>
<p>5. To minimize the number of inmates who spend more than 24 hours in alternative housing, Corrections should use the audit process it is developing to monitor the amount of time inmates spend in alternative housing and annually reassess its need for additional crisis beds.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Fully Implemented</p>
<p>6. To ensure that prisons document the privileges, such as yard time, that inmates receive while in a crisis bed, Corrections should immediately require prisons to develop and formalize policies to record on their treatment plans the privileges inmates are allowed and receive while in a crisis bed.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Fully Implemented</p>
<p>7. To ensure that prison staff conduct required checks of inmates placed on suicide precaution in a timely manner, Corrections should implement its automated process to monitor suicide precaution checks in its electronic health record system by the time it is implemented systemwide in October 2017. Further, Corrections should train staff on how to plan for and conduct staggered suicide precaution checks.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Fully Implemented</p>
<p>8. To monitor prisons' compliance with its requirement that inmates in crisis beds receive daily progress notes, Corrections should implement monitoring of these notes electronically into its audit process by the time the electronic health record system is in use systemwide in October 2017. Corrections should require prisons that are out of compliance to develop and implement quality improvement plans, and it should follow up on the prisons' implementation of those plans.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Pending</p>
<p>9. To ensure that prison staff appropriately respond to attempted suicides, Corrections should implement its proposed changes to its emergency response policies regarding cut-down kits by December 2017 and should include in its policies a method for monitoring prisons' compliance.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Fully Implemented</p>
<p>10. To address the unique circumstances that may increase its female inmates' rates of suicide and suicide attempts, Corrections should implement its planned same-sex domestic violence curriculum by December 2017.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Fully Implemented</p>
<p>11. To address the unique circumstances that may increase its female inmates' rates of suicide and suicide attempts, Corrections should continue to explore additional programs that could address the suicide risk factors for female inmates.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Pending</p>
<p>12. To ensure that all prison staff receive required training related to suicide prevention and response, Corrections should immediately implement a process for identifying prisons where staff are not attending required trainings and for working with the prisons to solve the issues preventing attendance.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Pending</p>
<p>13. To ensure that trainers and risk evaluation mentors at all prisons are able to train staff effectively, Corrections should immediately begin requiring prisons to report the percentage of their trainers and mentors who have received training on how to conduct training and mentoring. It should work with prisons to ensure that all trainers and mentors receive adequate training.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Pending</p>
<p>14. To maximize the value of its trainings related to suicide prevention and response, Corrections should ensure that starting in January 2018, its trainings include all content that the special master and its own policies require.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Pending</p>
<p>15. To ensure that it has enough staff to provide mental health services to all inmates who require care, Corrections should review and revise its mental health staffing model by August 2018.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Pending</p>

16. To ensure that prisons comply with its policies related to suicide prevention and response, Corrections should continue to develop its audit process and implement it at all prisons by February 2018. The process should include, but not be limited to, audits of the quality of prisons' risk evaluations and treatment plans.	Department of Corrections and Rehabilitation	Pending
17. To ensure that prisons can easily access Corrections' current policies related to mental health, Corrections should ensure that its program guide is current and complete as it works to incorporate the program guide into regulations. Corrections should immediately begin working with federal court monitors to draft regulations.	Department of Corrections and Rehabilitation	Pending
18. To ensure that suicide prevention teams meet quorum requirements, Corrections should, starting January 2018, work with prisons that consistently fail to achieve a quorum to resolve issues that may be preventing the teams from having all required members present at meetings.	Department of Corrections and Rehabilitation	Partially Implemented
19. To eliminate confusion regarding suicide prevention team meeting attendance, Corrections should immediately update its program guide to clarify who is required to attend suicide prevention team meetings, which attendees may send designees, and the extent to which staff may fill multiple roles when meeting quorum requirements.	Department of Corrections and Rehabilitation	Fully Implemented
20. To ensure that suicide prevention teams exercise leadership at prisons, Corrections should immediately require them to use available information about critical factors—such as the number and nature of inmate self-harm incidents and the quality and compliance with the policy of risk evaluations and treatment plans—to identify systemic issues related to suicide prevention. Corrections should require the suicide prevention teams to assess lessons they can learn, create plans to resolve current issues, and prevent foreseeable problems in the future.	Department of Corrections and Rehabilitation	Fully Implemented
21. To provide the public and relevant stakeholders with accurate information on suicides and suicide attempts in its prisons, Corrections should immediately require prison staff to work with mental health staff to reconcile any discrepancies on suicides and suicide attempts before submitting numbers to the COMPSTAT unit.	Department of Corrections and Rehabilitation	Pending
22. To ensure that all its prisons provide inmates with effective mental health care, Corrections should continue to take a role in coordinating and disseminating best practices related to mental health treatment by conducting a best practices summit at least annually. The summits should focus on all aspects of suicide prevention and response, including programs that seek to improve inmate mental health and treatment of and response to suicide attempts. Corrections should document and disseminate this information among the prisons, assist prisons in implementing the best practices through training and communication when needed, and monitor and report publicly on the successes and challenges of adopted practices.	Department of Corrections and Rehabilitation	Fully Implemented
23. In an effort to prevent future inmate suicide attempts, Corrections should implement its plan to review attempts with the same level of scrutiny that it uses during its suicide reviews. Corrections should require each prison's suicide prevention team to identify for review at least one suicide attempt per year that occurred at its prison. To ensure that the reviews include critical and unbiased feedback, Corrections should either conduct these reviews itself or require the prisons to review each other. These reviews should start in September 2017 and follow the same timelines as the suicide reviews, with the timeline beginning once the team identifies a suicide attempt for review.	Department of Corrections and Rehabilitation	Fully Implemented

### Report Number 2016-136

#### School Violence Prevention: School Districts, County Offices of Education, and the State Must Do More to Ensure That School Safety Plans Help Protect Students and Staff During Emergencies (August 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
4. The Legislature should require that the partnership between the California Department of Education (Education) and Justice periodically review safety plan requirements to ensure that the plans keep pace with evolving school environments and updated educational research.	Legislature	No Action Taken

<p>9. To ensure that districts, county offices, and schools receive guidance on a variety of safety issues and to comply with state law, Education and Justice should resume their partnership activities, as required by state law. Further, the partnership should update the 2002 handbook—Safe Schools: A Planning Guide for Action—and distribute it to all districts and county offices. If Education or Justice determine the need for additional funds to implement the legislative recommendations or to reestablish the partnership's activities, they should request those funds from the Legislature.</p>	<p>Department of Justice</p>	<p>Pending</p>
---	------------------------------	----------------

**Report Number I2017-2**

**Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>7. Corrections should issue a memo to all staff no later than November 2017, and annually thereafter, regarding the prohibition of raffles and the unauthorized sale of alcohol and ammunition.</p>	<p>Department of Corrections and Rehabilitation</p>	<p>Fully Implemented</p>

**Report Number 2017-101**

**Concealed Carry Weapon Licenses: Sheriffs Have Implemented Their Local Programs Inconsistently and Sometimes Inadequately (December 2017)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To ensure that its concealed carry weapon (CCW) licensing decisions align with its CCW policy, Los Angeles County Sheriff's Department (Los Angeles) should only issue licenses to applicants after collecting documentation of specific, personal threats against the applicants so as to satisfy its definition of good cause. If Los Angeles believes that its public licensing policy does not include all acceptable good causes for a CCW license, then by March 2018 it should revise that policy and publish the new policy on its website. It should then immediately begin processing applications according to that revised policy.</p>	<p>Los Angeles County Sheriff's Department</p>	<p>†</p>
<p>2. To ensure that it only issues licenses to individuals after receiving evidence of residency, firearms training, and good moral character that aligns with its policy, Los Angeles should only issue licenses after verifying that it has received this evidence. To avoid overlooking required evidence, Los Angeles should create procedures by March 2018 for its staff to follow to ensure that each CCW file contains the evidence its policy requires before issuing the license.</p>	<p>Los Angeles County Sheriff's Department</p>	<p>†</p>
<p>3. To ensure that staff are gathering consistent evidence from applicants to demonstrate residency, good moral character, and firearms training and are including which requirement applicants did not meet in its denial letters, by March 2018 Sacramento County Sheriff's Department (Sacramento) should create formal CCW processing procedures and train its staff to follow these procedures. These procedures should require staff to gather and evaluate the information the department believes is required to demonstrate that each of the criteria for a CCW license has been met, and they should also require staff to include which requirement applicants did not meet in its denial letters.</p>	<p>Sacramento County Sheriff's Department</p>	<p>†</p>
<p>4. To ensure that staff are following its newly established procedures and to identify any need for additional guidance, by March 2018 Sacramento should establish a review process wherein it regularly reviews a selection of license files and denied applications to determine whether its staff are collecting sufficient and consistent documentation in accordance with its policies and are appropriately including which requirement applicants did not meet in its denial letters.</p>	<p>Sacramento County Sheriff's Department</p>	<p>†</p>

5. To ensure that its staff appropriately renew CCW licenses, by March 2018 San Diego County Sheriff's Department (San Diego) should establish a routine supervisory review of a selection of renewed licenses.	San Diego County Sheriff's Department	†
6. To ensure that it consistently obtains sufficient evidence to demonstrate that an applicant satisfies its requirements for a license, by March 2018 San Diego should develop guidance and train its staff on what good cause documentation staff should request from applicants. Further, it should train its staff regarding the expected documents for residency and training.	San Diego County Sheriff's Department	†
7. To ensure that it provides all required information to Justice, Sacramento should immediately inform Justice when it revokes a CCW license, including when it receives a prohibition notice from Justice.	Sacramento County Sheriff's Department	†
8. To ensure that it follows state law's requirements for revoking licenses, San Diego should immediately revoke CCW licenses and should then inform Justice that it has revoked licenses whenever license holders become prohibited persons. Additionally, San Diego should notify Justice when it suspends a license or a license is surrendered.	San Diego County Sheriff's Department	†
9. The Legislature should amend state law to clarify that licensing authorities can increase fees for CCW applications, renewals, and modifications above \$100, \$25, and \$10, the respective maximum amounts specified in state law, provided that the fee for an initial application does not exceed the authorities' actual costs and that the rate of increase for any of the fees does not exceed that of the California Consumer Price Index.	Legislature	No Action Taken
10. To ensure that it is only charging fees that state law allows, Los Angeles should immediately cease charging applicants fees in addition to its license processing fee. Los Angeles should reimburse applicants who paid the unallowable fees. Further, if Los Angeles believes its license fee does not recover its entire cost of processing an initial application, it should complete a cost study and, if appropriate, revise its fee according to the results of that study and the maximum allowed fees under state law.	Los Angeles County Sheriff's Department	†
11. To ensure that it is maximizing allowable revenue from the CCW program and reducing its program deficits, Sacramento should perform a cost study of its initial application processing and, on completion of the study, immediately increase its CCW license fees and begin charging the maximum amounts allowable under state law.	Sacramento County Sheriff's Department	†
12. To ensure that it maximizes allowable revenue from its CCW program, San Diego should immediately pursue increasing its initial, renewal, and amendment fees to the maximum amounts allowable under state law.	San Diego County Sheriff's Department	†

### Report Number 2017-302

#### Judicial Council of California: It Needs to Follow Competitive Bidding Processes More Consistently and Establish Clear Guidance for Invoice Processing (December 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To help ensure that it obtains the best value for the goods and services it purchases and that its staff take the steps necessary to comply with the judicial contracting manual, the Judicial Council should continue to reinforce with staff through management memos, training, or other formal means the need to: Ensure that the person with the appropriate level of authority approves purchases; obtain authorized approvers' signatures for noncompetitive procurements; properly document justification for noncompetitive procurements; and not exclude potential vendors from bidding based on assumptions about their prices.	Judicial Council of California	Fully Implemented
2. To better align the judicial contracting manual with state requirements and to make certain that it receives the best value for services, the Judicial Council should update by March 2018 the judicial contracting manual's guidance on contract splitting and sole-source procurements to reflect the more specific definitions in the state contracting manual.	Judicial Council of California	Fully Implemented

<p>3. To ensure that Judicial Council staff have the information they need to process invoices appropriately and to comply with the judicial contracting manual, the Judicial Council should develop by June 2018 one document with clear invoice-processing procedures for its accounting staff. This document should define the steps for processing invoices related to different types of purchase agreements and common exceptions to the typical process, including instructions for handling invoices processed on behalf of other Judicial Branch entities.</p>	<p>Judicial Council of California</p>	<p>+</p>
<p>4. By June 2018, the Judicial Council should fully implement the State Auditor's recommendation from 2013 related to controls over its information systems.</p>	<p>Judicial Council of California</p>	<p>+</p>
<p>5. To prevent misinterpretation of policies governing its procurement practices, the Judicial Council should reissue its local manual by June 2018, incorporating all updates made since the 2011 version of the manual.</p>	<p>Judicial Council of California</p>	<p>+</p>
<p>6. To help ensure that the Judicial Council complies with state reporting requirements related to conflicts of interest, it should report to the appropriate authority any staff who do not file statements of economic interests after reasonable attempts to prompt them to file, as described in guidance from the Fair Political Practices Commission. Further, the Judicial Council should complete its procedures to improve compliance and implement them beginning in January 2018.</p>	<p>Judicial Council of California</p>	<p>Fully Implemented</p>

**Report Number 2017-131**

***Hate Crimes in California: Law Enforcement Has Not Adequately Identified, Reported, or Responded to Hate Crimes (May 2018)***

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To ensure that it receives complete and accurate data, Justice should, by May 2019, develop and maintain a list of law enforcement agencies that it updates annually, obtain hate crime data from all law enforcement agencies, distribute additional guidance to those agencies on procedures for reporting hate crimes, and conduct periodic reviews of law enforcement agencies to ensure that the data they report are accurate. It should also seek the resources to implement these efforts, if necessary.</p>	<p>Department of Justice</p>	<p>+</p>
<p>2. To ensure that all state law enforcement agencies are aware of the support available to help them investigate hate crimes, Justice should engage in outreach efforts to increase awareness of its response team.</p>	<p>Department of Justice</p>	<p>Fully Implemented</p>
<p>3. To increase the effectiveness of hate crime prevention and response efforts, Justice should provide additional guidance to law enforcement agencies by adding region-specific data fields to the hate crime database, including items such as the zip code in which reported hate crimes took place and other fields that Justice determines will support its outreach efforts.</p>	<p>Department of Justice</p>	<p>+</p>
<p>4. To increase the effectiveness of hate crime prevention and response efforts, Justice should provide additional guidance to law enforcement agencies by analyzing reported hate crimes in various regions in the State and send advisory notices when it detects hate crimes happening across multiple jurisdictions. It should also seek the resources to implement these efforts, if necessary.</p>	<p>Department of Justice</p>	<p>+</p>
<p>5. To increase the effectiveness of hate crime prevention and response efforts, Justice should provide additional guidance to law enforcement agencies by creating and disseminating outreach materials so law enforcement agencies can better engage with their communities.</p>	<p>Department of Justice</p>	<p>+</p>
<p>6. To increase the effectiveness of hate crime prevention and response efforts, Justice should provide additional guidance to law enforcement agencies by creating and making available training materials for law enforcement agencies on how best to identify and respond to hate crimes.</p>	<p>Department of Justice</p>	<p>+</p>

7. To ensure that law enforcement agencies effectively engage with communities regarding hate crimes, Justice should provide guidance and best practices for law enforcement agencies to follow when conducting hate crime outreach to vulnerable communities within their jurisdictions, such as collaborating with a county human rights commission. It should make the outreach materials available to law enforcement agencies and should include in them presentation materials for various types of communities, including immigrants and Muslims, among others. It should seek the resources to implement these efforts, if necessary.	Department of Justice	+
8. To ensure that they accurately identify and report hate crimes, San Francisco State University (SFSU) Police and Los Angeles (LA) Police should update their hate crime policies and procedures, and the Orange County Sheriff and Stanislaus County Sheriff should implement supplemental hate crime reports and require officers to use them.	Los Angeles Police Department	+
9. To ensure that they accurately identify and report hate crimes, SFSU Police and LA Police should update their hate crime policies and procedures, and the Orange County Sheriff and Stanislaus County Sheriff should implement supplemental hate crime reports and require officers to use them.	Orange County Sheriff's Department	Fully Implemented
11. To ensure that they accurately identify and report hate crimes, SFSU Police and LA Police should update their hate crime policies and procedures, and the Orange County Sheriff and Stanislaus County Sheriff should implement supplemental hate crime reports and require officers to use them.	Stanislaus County Sheriff's Department	No Action Taken
13. To ensure accurate and complete reporting, LA Police and SFSU Police should provide sufficient guidance and oversight to their officers and staff so that they report all hate crimes to Justice.	Los Angeles Police Department	+
14. To help ensure that officers can identify and document that hate crimes have occurred, the Commission on Peace Officer Standards and Training (POST) should send training materials to all POST-certified law enforcement agencies in the State for these agencies to use in refresher training for their officers.	Commission on Peace Officer Standards and Training	Fully Implemented
15. To ensure its hate crime training effectively communicates information essential to properly identifying and addressing hate crimes, POST should evaluate its hate crime courses periodically. It should also seek resources to implement these efforts, if necessary.	Commission on Peace Officer Standards and Training	+
16. To address the increase in hate crimes reported in California, the Legislature should require Justice to add region-specific data fields to the hate crime database, including items such as the zip code in which the reported hate crimes took place as well as other fields that Justice determines will support its outreach efforts.	Legislature	No Action Taken
17. To address the increase in hate crimes reported in California, the Legislature should require Justice to analyze reported hate crimes in various regions in the State and send advisory notices to law enforcement agencies when it detects hate crimes happening across multiple jurisdictions.	Legislature	No Action Taken
18. To address the increase in hate crimes reported in California, the Legislature should require Justice to create and disseminate outreach materials so law enforcement agencies can better engage with their communities.	Legislature	No Action Taken
19. To address the increase in hate crimes reported in California, the Legislature should require Justice to create and make available training materials for law enforcement agencies on how best to identify and respond to hate crimes.	Legislature	No Action Taken
20. To address the increase in hate crimes reported in California, the Legislature should require Justice to implement a school-based program, in conjunction with representation from local law enforcement agencies, aimed at educating communities to identify and confront issues of bias, prejudice, and harassment.	Legislature	No Action Taken
21. To ensure that hate crime training for law enforcement is effective, the Legislature should require POST to evaluate its hate crime training.	Legislature	No Action Taken

**Report Number I2018-1**

**Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property (July 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
7. Take appropriate corrective action against the employee, including documenting his attendance abuse in his personnel or supervisory file.	Department of Corrections and Rehabilitation	†
8. Require the supervisor to implement policies and procedures to ensure his subordinates account for all of their missed work hours.	Department of Corrections and Rehabilitation	†
11. Ensure that the licensed vocational nurse (LVN) begins performing duties appropriate for her classification as a nurse who provides patient care.	California Correctional Health Care Services	Resolved
12. Remove the LVN's scheduler access to the scheduling software.	California Correctional Health Care Services	No Action Taken
13. Utilize appropriate administrative staff to perform scheduling duties.	California Correctional Health Care Services	Partially Implemented
14. Ensure that scheduling staff use the appropriate post codes in the scheduling software for all nursing staff so their time is accurately reported.	California Correctional Health Care Services	No Action Taken
15. Ensure that all other nursing staff assignments to ad hoc posts are appropriate, and require schedulers to enter a note in the scheduling software indicating an employee's duties while in a general ad hoc post.	California Correctional Health Care Services	No Action Taken
16. Provide training to the nursing director regarding the requirements for temporary employee reassignments, including proper documentation.	California Correctional Health Care Services	No Action Taken
17. Provide training to the nursing director and the LVN on California Correctional Health Care Services' (Correctional Health Care) policy on personal relationships in the employment setting.	California Correctional Health Care Services	No Action Taken
18. Consider disciplinary action against the nursing director and the LVN for being dishonest when interviewed and for violating Correctional Health Care's policy on personal relationships in the employment setting.	California Correctional Health Care Services	No Action Taken
19. Seek repayment from the analyst for the \$2,925 in improper payments.	Department of Corrections and Rehabilitation	Fully Implemented
20. Fully implement and continue to follow recommendations from prior investigative reports involving similar inappropriate inmate supervision pay at other Corrections' facilities, including the recommendation to train all employees who receive, approve, or issue the inmate supervision pay.	Department of Corrections and Rehabilitation	†
21. Provide additional training to the individuals involved in this investigation regarding the eligibility requirements for inmate supervision pay and overpayment procedures.	Department of Corrections and Rehabilitation	Partially Implemented
22. Revise the prison's inmate supervision pay approval form to include the date on which the employee received inmate supervision pay training and require signatures on each form from the employee, supervisor, and personnel staff to show that they received the training and are aware of the rules regarding inmate supervision pay.	Department of Corrections and Rehabilitation	Fully Implemented

**Report Number 2018-106****Correctional Officer Health and Safety: Some State and County Correctional Facilities Could Better Protect Their Officers From the Health Risks of Certain Inmate Attacks (September 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure the health and safety of its employees and hold its supervisors accountable, the California Institution for Men (CIM) should revise its policies and procedures to require documentation that its supervisors are notifying victims of gassing attacks in a timely manner of their right to request that the inmates involved be tested for communicable diseases.	Department of Corrections and Rehabilitation	Pending
2. To ensure the health and safety of its employees and hold its supervisors accountable, CIM should revise its policies and procedures to require documentation that its supervisors are notifying victims of gassing attacks in a timely manner of the counseling services available to them.	Department of Corrections and Rehabilitation	Pending
3. To make certain that victims are aware of threats to their health, CIM should follow state law and ensure that its medical personnel immediately inform victims of gassing attacks of any evidence suggesting that the inmates involved have a communicable disease. It should further document that it has provided this information to victims.	Department of Corrections and Rehabilitation	Partially Implemented
4. To ensure the health and safety of its employees and hold its supervisors accountable, Los Angeles County Sheriff's Department Men's Central Jail (Men's Central) should revise its policies and procedures to require documentation that its supervisors are notifying victims of gassing attacks in a timely manner of their right to request that the inmates involved be tested for communicable diseases.	Los Angeles County Sheriff's Department	Fully Implemented
5. To ensure the health and safety of its employees and hold its supervisors accountable, Men's Central should revise its policies and procedures to require documentation that its supervisors are notifying victims of gassing attacks in a timely manner of the counseling services available to them.	Los Angeles County Sheriff's Department	Fully Implemented
6. To make certain that victims are aware of threats to their health, Men's Central should follow state law and ensure that its medical personnel immediately inform victims of gassing attacks of any evidence suggesting that the inmates involved have a communicable disease. It should further document that it has provided this information to victims.	Los Angeles County Sheriff's Department	Fully Implemented
7. To ensure the health and safety of its employees and hold its supervisors accountable, Alameda County Sheriff's Office's Santa Rita Jail (Santa Rita) should revise its policies and procedures to require documentation that its supervisors are notifying victims of gassing attacks in a timely manner of the medical services and workers' compensation benefits available to them.	Alameda County Sheriff's Office	Pending
8. To ensure the health and safety of its employees and hold its supervisors accountable, Santa Rita should revise its policies and procedures to require documentation that its supervisors are notifying victims of gassing attacks in a timely manner of their right to request that the inmates involved be tested for communicable diseases.	Alameda County Sheriff's Office	Partially Implemented
9. To ensure the health and safety of its employees and hold its supervisors accountable, Santa Rita should revise its policies and procedures to require documentation that its supervisors are notifying victims of gassing attacks in a timely manner of the counseling services available to them.	Alameda County Sheriff's Office	Fully Implemented
10. To make certain that victims are aware of threats to their health, Santa Rita should follow state law and ensure that its medical personnel immediately inform victims of gassing attacks of any evidence suggesting that the inmates involved have a communicable disease. It should further document that it has provided this information to victims.	Alameda County Sheriff's Office	Partially Implemented
11. To ensure that it properly investigates gassing attacks and refers cases for prosecution, CIM should implement procedures to ensure that it collects sufficient physical evidence and submits the gassing substance for laboratory testing, as state law requires.	Department of Corrections and Rehabilitation	Partially Implemented
12. To ensure that it properly investigates gassing attacks and refers cases for prosecution, CIM should develop goals for how long investigations should take and ensure that its officers adhere to these goals.	Department of Corrections and Rehabilitation	Partially Implemented

13. To ensure that it properly investigates gassing attacks and refers cases for prosecution, CIM should separate its evaluation of officers' use of force from the investigation process it uses to refer cases to the district attorney.	Department of Corrections and Rehabilitation	Partially Implemented
14. To ensure that it properly investigates gassing attacks and refers cases for prosecution, Men's Central should implement procedures to ensure that it collects sufficient physical evidence.	Los Angeles County Sheriff's Department	Partially Implemented
15. To ensure that it properly investigates gassing attacks and refers cases for prosecution, Men's Central should develop goals for how long investigations should take and ensure that its officers adhere to these goals.	Los Angeles County Sheriff's Department	No Action Taken
16. To ensure that it properly investigates gassing attacks and refers cases for prosecution, Santa Rita should implement procedures to ensure that it collects sufficient physical evidence and submits the gassing substance for laboratory testing, as state law requires.	Alameda County Sheriff's Office	Fully Implemented
17. To ensure that it properly investigates gassing attacks and refers cases for prosecution, Santa Rita should develop practices to ensure that it submits all cases for prosecution when probable cause of a crime exists. Further, it should expedite its review of the four cases that we identified, and if probable cause exists, submit those cases to the district attorney for prosecution.	Alameda County Sheriff's Office	Pending
18. To better prevent gassing attacks and promote desirable changes in inmate attitude and behavior, CIM should follow its policy and pursue appropriate internal disciplinary actions—including consideration of the inmate's mental health and competency when determining whether to impose internal discipline.	Department of Corrections and Rehabilitation	Pending
19. To ensure the health and safety of its officers when interacting with inmates, CIM should maintain a sufficient supply of preventative equipment that is available to its officers and staff in all locations where gassing attacks can occur.	Department of Corrections and Rehabilitation	Partially Implemented
20. To ensure the health and safety of its officers when interacting with inmates, CIM should develop a policy regarding the placement of "gasser" tags on the cells of inmates who have committed or attempted to commit a gassing attack.	Department of Corrections and Rehabilitation	Partially Implemented
21. To ensure the health and safety of its officers when interacting with inmates, CIM should provide annual training that is specific to preventing and responding to gassing attacks.	Department of Corrections and Rehabilitation	Partially Implemented
22. To ensure that it is able to identify high-risk situations and deter repeat offenders, CIM should specifically track all gassing attacks and use the tracking data as a tool to prevent future gassing attacks.	Department of Corrections and Rehabilitation	Partially Implemented
23. To ensure the safety of its staff, Men's Central should provide annual training that is specific to preventing and responding to gassing attacks.	Los Angeles County Sheriff's Department	Pending
24. To better prevent gassing attacks and promote desirable changes in inmate attitude and behavior, Santa Rita should follow its policy and pursue appropriate internal disciplinary actions—including consideration of the inmate's mental health and competency when determining whether to impose internal discipline.	Alameda County Sheriff's Office	Fully Implemented
25. To ensure the health and safety of its officers when interacting with inmates, Santa Rita should develop a policy regarding the placement of "gasser" tags on the cells of inmates who have committed or attempted to commit a gassing attack.	Alameda County Sheriff's Office	Fully Implemented
26. To ensure the health and safety of its officers when interacting with inmates, Santa Rita should provide annual training that is specific to preventing and responding to gassing attacks.	Alameda County Sheriff's Office	Fully Implemented
27. To ensure that it is able to identify high risk situations and deter repeat offenders, Santa Rita should specifically track all gassing attacks and use the tracking data as a tool to prevent future gassing attacks.	Alameda County Sheriff's Office	Pending
28. To shorten the time to submit cases of gassing attacks for prosecution, the Legislature should modify state law to provide correctional facilities the discretion to omit testing the gassing substance for the presence of a bodily fluid when the correctional facility, in consultation with its district attorney, finds that such testing is unnecessary to obtain sufficient evidence of a crime.	Legislature	No Action Taken

† As of December 31, 2018, the entity has not provided a response to the State Auditor or the State Auditor has not assessed the entity's response.

PAGE LEFT BLANK INTENTIONALLY

**Table 2**  
**Monetary Values**  
**January 1, 2011, Through December 31, 2018**

*Summary of Monetary Values From January 1, 2011, through December 31, 2018*

FISCAL YEAR	ANNUALIZED BENEFITS	ONE-TIME BENEFITS
July 1, 2018—December 31, 2018	\$1,062,573,600	\$581,800
July 1, 2017—June 30, 2018	448,413,200	33,700
July 1, 2016—June 30, 2017	154,236,200	10,493,450
July 1, 2015—June 30, 2016	107,497,200	39,700,800
July 1, 2014—June 30, 2015	94,981,200	12,879,000
July 1, 2013—June 30, 2014	77,997,000	516,780,000
July 1, 2012—June 30, 2013	107,507,000	32,600,000
July 1, 2011—June 30, 2012	110,395,000	21,037,000
January 1, 2011—June 30, 2011	61,497,500	12,000
<b>TOTALS</b>	<b>\$2,225,097,900</b>	<b>\$634,117,750</b>
<b>Total Monetary Values</b>	<b>\$2,859,215,650</b>	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Total for January 1, 2011, Through December 31, 2018</b>		<b>\$2,859,215,650</b>
<b>Total for July 1, 2018, Through December 31, 2018</b>		<b>\$1,063,155,400</b>
<b>Total One-Time Benefits for July 1, 2018, Through December 31, 2018</b>		<b>\$581,800</b>
I2018-1 (July 2018) (Allegations I2017-0276, I2016-1265, I2017-0414, I2015-1129, I2017-0453, I2017-0195)	<b>Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property</b>	
	<b>Wasted Funds</b> —Two employees at California State University, Fresno (Fresno State) engaged in egregious and continued time and attendance abuse by taking extended breaks or leaving campus without accounting for their time. We estimate that from 2013 through 2017, the employees failed to account for more than 5,100 hours of work, costing the state more than \$111,000 in salary paid for work not performed.	\$111,000
	<b>Wasted Funds</b> —An employee at Kern Valley State Prison misused state time for about two years by regularly leaving work up to 45 minutes early as a result of inadequate supervision. We estimate that the employee failed to account for 312 hours of missed work time, costing the State approximately \$9,000.	9,000
	<b>Wasted Funds</b> —An employee at the Department of Motor Vehicles (DMV) slept at her desk for extended periods of time during work hours for nearly four years. We estimate that from February 2014 through December 2017, the employee misused 2,200 hours of work time as a result of sleeping on the job, costing the state more than \$40,000.	40,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
	<b>Wasted Funds</b> —A nursing director at a Southern California adult prison removed a licensed vocational nurse (nurse) from her assigned nursing position providing patient care and reassigned her to perform nurse scheduling duties typically done by an office technician. During this period, the nurse continued to receive her pay as a nurse causing California Correctional Health Care Services (Correctional Health Care Services) to waste more than \$10,500 in unnecessary salary payments. Additionally, the nursing director's decision cost the State more than \$18,700 in unnecessary overtime payments paid to other nurses to cover the nurse's originally assigned post. Therefore, we estimate this decision cost the State approximately \$29,000.	\$29,000
	<b>Cost Recovery</b> —The California Department of Corrections and Rehabilitation (Corrections) overpaid a staff services analyst at one of its prisons nearly \$3,000 from July 2016 through March 2017. Moreover, after two internal audits in 2017 documented the error in pay and recommended the recovery of the overpayments, the associate warden chose not to initiate any collection efforts, which violated state law.	3,000
	<b>Wasted Funds</b> —A manager at California State University, Dominguez Hills directed a member of his staff to purchase an electric vehicle quick charger for over \$6,800 in March 2013. The quick charger remained unused and uninstalled for five years.	6,800
2018-603 (October 2018)	<b>Department of Health Care Services: It Paid Billions in Questionable Medi-Cal Premiums and Claims Because It Failed to Follow Up on Eligibility Discrepancies</b>	
	<b>Cost Avoidance</b> —The total questionable payments from the month of December 2017 was \$139 million, and projecting that amount across the 12 months of a year, we estimate that the Department of Health Care Services (Health Care Services) could avoid about \$1.7 billion per year in questionable payments if it resolved these discrepancies.	See annualized benefits below
	<b>Cost Recovery</b> —To recover inappropriately spent funds, prevent future erroneous payments, and ensure eligible individuals' access to care, Health Care Services should resolve the discrepancies we identified and recover erroneous payments where allowable by June 30, 2019. For example, Health Care Services paid the managed care plan more than \$383,000 for a deceased beneficiary whom it should have known was no longer in need of services. Accordingly, Health Care Services has started the process to recover the funds it paid to the managed care plan after this person had died.	\$383,000
<b>Annualized Carry Forward for July 1, 2018, Through December 31, 2018</b>		<b>\$1,062,573,600</b>
2002-009 (April 2003)	California Energy Markets	\$14,500,000
I2011-1 (August 2011)	Department of Mental Health <sup>†</sup> (Allegation I2009-0644)	38,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	1,045,000
2011-119 (June 2012)	Physical Therapy Board	14,000
2011-120 (August 2012)	California Department of Transportation	1,900,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	7,500
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	18,500
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	9,500
2012-117 (March 2013)	State Athletic Commission	90,500
2012-110 (April 2013)	Department of Motor Vehicles	3,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	18,000
2013-119 (August 2014)	Department of Health Care Services	635,350
2012-603 (August 2014)	Department of Human Resources and California State University	611,000
2014-301 (November 2014)	Superior Court of California, County of Alameda	24,000
2013-125 (December 2014)	Department of Health Care Services	7,000
2014-107 (January 2015)	Administrative Office of the Courts	6,946,750
2015-502 (July 2015)	Department of Social Services	11,600,000
2014-130 (August 2015)	Department of Health Care Services	1,009,500

February 2019

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2015-119 (March 2016)	State Board of Equalization <sup>#</sup>	\$180,000
2015-806 (August 2016)	City of Hemet	1,551,500
2015-803 (October 2016)	City of Maywood	12,500
2016-111 (November 2016)	City of Irwindale	1,760,000
2016-121 (April 2017)	Department of Motor Vehicles	95,000
2017-109 (May 2018)	Department of Health Care Services	167,500,000
2018-603 (October 2018)	Department of Health Care Services	850,000,000
<b>Total for July 1, 2017, Through June 30, 2018</b>		<b>\$448,446,900</b>
<b>Total One-Time Benefits for July 1, 2017, Through June 30, 2018</b>		<b>\$33,700</b>
12017-2 (October 2017) (Allegations I2015-0959, I2016-0604, and I2016-0244)	<b><i>Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources</i></b>	
	<b>Cost Savings/Avoidance</b> —Atascadero State Hospital failed to ensure the accuracy of a psychiatric technician's attendance records resulting in about \$7,500 in improper overtime pay from July 2015 through June 2016.	\$7,500
	<b>Cost Savings/Avoidance</b> —Two managers at the Department of Water Resources (Water Resources) failed to ensure the accuracy of the time and attendance records of an administrative supervisor from 2008 to 2016. As a result, based on the limited data available, the administrative supervisor undercharged her leave by as many as 149 hours over a six-month period, at an estimated cost to the state almost \$5,200. However, based on the administrative supervisor's pattern of attendance and her failure to charge leave for partial-day absences during her nearly eight years of state employment, the actual cost to the State was likely much greater.	5,200
2017-302 (December 2017)	<b><i>Judicial Council of California: It Needs to Follow Competitive Bidding Processes More Consistently and Establish Clear Guidance for Invoice Processing</i></b>	
	<b>Cost Savings/Avoidance</b> —The Judicial Council of California may have missed savings of about \$10,000 when it entered into a series of 25 contracts with the same vendor over two years instead of obtaining a master agreement with the vendor for a lower hourly rate.	\$10,000
2017-116 (April 2018)	<b><i>Community Child Care Council of Santa Clara County: Because It Disadvantaged Some Families and Misused State Funds, It Could Benefit From Increased Monitoring by the California Department of Education</i></b>	
	<b>Cost Recovery</b> —The Community Child Care Council (4Cs) expended over \$11,000 in unallowable administrative reimbursements pertaining to travel, conferences, supplies, and professional services. In order to rectify 4Cs' inappropriate use of state funding, the Department of Education should recalculate the amount of 4Cs' reimbursable costs based on the unallowable costs we identified and recover any funds that should be repaid.	\$11,000
2017-109 (May 2018)	<b><i>Skilled Nursing Facilities: Absent Effective State Oversight, Substandard Quality of Care Has Continued</i></b>	
	<b>Cost Savings/Avoidance</b> —The State received approximately \$521 million in annual quality assurance fees from nursing facilities as well as an equal amount of federal matching funds in fiscal year 2016–17. Health Care Services anticipated reimbursing those nursing facilities about \$335 million with no conditions. If the State instead used the \$335 million in quality assurance fees for new quality improvement incentives, the funds could help improve quality of care throughout the State.	See annualized benefits below
<b>Annualized Carry Forward for July 1, 2017, Through June 30, 2018</b>		<b>\$448,413,200</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health <sup>†</sup> (Allegation I2009-0644)	76,000

continued on next page ...

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2010-124 (September 2011)	Department of Corrections and Rehabilitation	\$2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	California Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	181,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	36,000
2013-119 (August 2014)	Department of Health Care Services	1,270,700
2012-603 (August 2014)	Department of Human Resources and California State University	1,222,000
2014-301 (November 2014)	Superior Court of California, County of Alameda	48,000
2013-125 (December 2014)	Department of Health Care Services	14,000
2014-107 (January 2015)	Administrative Office of the Courts	13,893,500
2015-502 (July 2015)	Department of Social Services	23,200,000
2014-130 (August 2015)	Department of Health Care Services	2,019,000
2015-119 (March 2016)	State Board of Equalization <sup>#</sup>	360,000
2015-806 (August 2016)	City of Hemet	3,103,000
2015-803 (October 2016)	City of Maywood	25,000
2016-111 (November 2016)	City of Irwindale	3,520,000
2016-121 (April 2017)	Department of Motor Vehicles	190,000
2017-109 (May 2018)	Department of Health Care Services	335,000,000

**Total for July 1, 2016, Through June 30, 2017** **\$164,729,650**

**Total One-Time Benefits for July 1, 2016, Through June 30, 2017** **\$10,493,450**

2015-806 (August 2016)	<i><b>City of Hemet: Its Ongoing Budget Deficit and Organizational Inefficiency Threaten Its Financial Stability and Delivery of Public Services</b></i>	
	<p><b>Increased Revenue</b>—The city of Hemet (Hemet) spent about \$1.8 million of its limited general fund resources in fiscal year 2014–15 to fund library operations and has spent similar amounts during the past several fiscal years. We found that even though it was facing ongoing budget deficits, Hemet did not have plans to make the library self-sufficient or to reduce its impact on the general fund. Nearly half of the library’s patrons do not actually live in Hemet. Hemet could generate at least \$835,000 in additional revenue annually for charging for nonresident use of the city library.</p>	See annualized benefits below
	<p><b>Cost Savings</b>—Hemet outsourced landscape maintenance for some of its grounds. It could generate cost savings by outsourcing the remainder of the maintenance, including its parks. We determined that the annual cost of contracting with a private company to fully maintain a park ranges from 10 cents to 20 cents per square foot. We estimate that Hemet could generate annually \$183,000 in savings from outsourcing maintenance of city parks.</p>	See annualized benefits below
	<p><b>Increased Revenue</b>—Hemet’s fire department does not charge for its services when it is the first responder to calls for emergency medical services. Although in 2015, the fire department responded to more than 13,000 emergency medical calls, representing more than 80 percent of its total calls it did not charge for such services. We determined that the city could have generated \$1,900,000 in fiscal year 2015–16 if it had charged for emergency medical services, based on a 50 percent collection rate. Further, we estimate that Hemet could generate annually \$2,085,000 to \$2,837,000 for fiscal years 2016–17 through 2019–20.</p>	See annualized benefits below

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2016-2 (August 2016) (Allegations I2015-0034, I2014-0934, I2015-1073)	<i>Investigations of Improper Activities by State Agencies and Employees: Conflict of Interest, Violation of Post-Employment Ethics Restrictions, Waste of State Funds, Misuse of State Resources, and Incompatible Activities</i>	
	<b>Wasted Funds</b> —The Department of Public Health (Public Health) wasted state funds when it failed to enforce proper policies and procedures to ensure that it reimbursed travel in accordance with the applicable state law. From July 2012 through March 2016, Public Health improperly reimbursed a total of \$74,000 in travel expense claims for an official to travel from Sonoma County to Sacramento County.	\$74,000
	<b>Wasted Funds</b> —The Napa State Hospital (hospital) overpaid an investigator nearly \$3,000 from October 2015, through February 2016 for performing the duties of a communications operator. The hospital wasted state funds by paying her overtime wages based on her regular pay as an investigator rather than at the regular hourly rate for communications operator. Additionally, a supervisor at the Department of Parks and Recreation (State Parks) misused state resources when she used her state-issued cell phone to promote and sell beauty products and to communicate with relatives who reside outside of the State. State Parks determined the total charges incurred from the supervisor’s misuse of her state-issued cell phone totaled nearly \$200.	3,200
2015-803 (October 2016)	<i>City of Maywood: Its Flawed Governance and Financial Mismanagement Could Compromise the Basic Services It Provides to Residents</i>	
	<b>Cost Recovery</b> —We found that Maywood city council members used city funds inappropriately to pay for the cost of a celebration—\$2,450 for catering and \$800 for entertainment—of the new city council at the December 2015 meeting. Because these spending decisions represent a breach of the city council’s fiduciary responsibility to safeguard the city’s public resources, we recommended that the city council reimburse the city for the \$3,250 in costs incurred for the celebration.	\$3,250
	<b>Lost Revenue</b> —As of June 2016, Maywood failed to collect more than \$177,000 in unpaid parking tickets issued since October 2015 and associated late fees.	177,000
	<b>Lost Revenue</b> —The city of Maywood (Maywood) failed to identify eight businesses and one apartment that were operating without business license. Many businesses known to Maywood were delinquent in their payments of license fees. Maywood could collect up to \$19,000 in additional, one-time revenue if it collects from these businesses. Further, we found that Maywood failed to collect more than \$60,000 in rent revenue and late fees since 2012. Maywood did not begin to collect these outstanding lease payments until we brought this issue to the attention of the interim city administrator.	79,000
2016-106 (November 2016)	<i>Los Angeles County: Weak Oversight of Its Lease With the Los Angeles County Fair Association Has Likely Cost Millions of Dollars in Revenue</i>	
	<b>Lost Revenue</b> —Los Angeles County failed to actively monitor its lease with the association, potentially resulting in a loss of more than \$6 million in rent revenue related to the hotel from 2006 through 2015.	\$6,000,000
	<b>Lost Revenue</b> —The Los Angeles County Fair Association failed to pay rent related to the conference center, contradicting its representations to the county when it sought help financing the construction. Los Angeles County has lost out on roughly \$350,000 in total rent revenue related to the Los Angeles County Fair Association’s conference center.	350,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2016-110 (November 2016)	<b>Trade Apprenticeship Programs: The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association's Sheet Metal Program</b>	
	<b>Cost Recovery</b> —The Air Conditioning Trade Association (ACTA) claimed homework assignment hours for reimbursement from Central Unified, but such claims are not allowable under state law. We estimate that between fiscal years 2010–11 through 2014–15, ACTA claimed at least 10,100 hours for unallowable reimbursements, with a cost of nearly \$51,000 in apprenticeship instruction funding.	\$51,000
2016-111 (November 2016)	<b>City of Irwindale: It Must Exercise More Fiscal Responsibility Over Its Spending So That It Can Continue to Provide Core Services to Residents</b>	
	<b>Cost Savings/Avoidance</b> —The city of Irwindale (Irwindale) provided key management and all other full-time employees with more generous employee pensions than those offered by comparable cities. For fiscal year 2015–16, the city budgeted approximately \$476,000 for Public Agency Retirement Services (PARS). Irwindale could reduce its employee benefits cost by eliminating further city contributions to the PARS supplemental benefit plan or at least increase participant contributions to cover the full employee share of the plan's costs.	See annualized benefits below
	<b>Cost Savings/Avoidance</b> —Irwindale spent \$944,000 on a prescription assistance program in fiscal year 2015–16. We recommended that Irwindale eliminate its current resident prescription drug program and replace it with the prescription discount card program offered by the League of California Cities that would provide discounts on prescriptions to residents at no cost to the city.	See annualized benefits below
	<b>Cost Savings/Avoidance</b> —If Irwindale were to implement a cap of \$2,500 per resident for its prescription program, two-thirds the average amount spent per participant in fiscal year 2015–16, it could save more than \$300,000 per year on prescription drug benefits.	See annualized benefits below
	<b>Cost Savings/Avoidance</b> —We recommended that Irwindale reevaluate the possibility of contracting policing services as an alternative to operating its own police department. In 2009 the Los Angeles County Sheriff's Department performed a study of the Irwindale City Police Department and proposed providing policing services to the city that would reduce its annual costs by 25 percent, or \$1.8 million at the time.	See annualized benefits below
I2017-1 (March 2017) (Allegations I2016-0112, I2015-0736, I2015-0576, I2016-0015, I2016-0195, I2016-0276)	<b>Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments</b>	
	<b>Wasted Funds</b> —A parole agent with Corrections misused a state vehicle for her personal commute between January 2016 and July 2016 at a total cost to the state of about \$3,800.	\$3,800
	<b>Wasted Funds</b> —An analyst at Caltrans misused state time by regularly taking excessive smoking breaks and extended lunches during her workdays, and she violated state law and a Caltrans directive regarding incompatible activities. We estimate that on average, the analyst misused 130 hours of state time from July 2015 to March 2016 at a total cost to the state of about \$4,300.	4,300
	<b>Wasted Funds</b> —A pharmacist at a state hospital failed to charge sufficient leave for absences and was overpaid for standby hours between January 2014 through August 2015 for a combined total of 99 hours. The combined 99 hours of undercharged leave and the overcompensated time represents a total cost to the state of \$5,000.	5,000
	<b>Cost Recovery</b> —The California Institution for Women improperly paid a program chief a total of \$2,520 from March 2015 through September 2015 in the form of a monthly \$360 Institutional Worker Supervision Pay differential intended for those involved in the supervision of inmate workers. In addition, Corrections paid the program chief \$1,080 in extra pay between December 2014 and February 2015 even though it did not maintain the initial approving paperwork on file to authorize these payments.	3,600
	<b>Cost Recovery</b> —California State University, San Diego erroneously paid a maintenance employee amounts totaling an additional \$2,100 from June 2015 to June 2016 because of an inaccurate hire date in a computer system.	2,100
	<b>Wasted Funds</b> —A full-time library employee at Fresno State misused a university resource by visiting more than 48,300 webpages largely related to online videos and games from May 2015 through May 2016. The library employee may have misused as many as 85 hours of Fresno State time for a representative one-month period. Over the course of the 13 months reviewed, we estimate that this misused time may have cost Fresno State as much as \$22,200.	22,200

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2016-121 (April 2017)	<b>Department of Motor Vehicles: Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Person Parking Placards</b>	
	<b>Increased Revenue</b> —Officials at all six cities stated that they do not make use or were not aware of a provision in state law that allows local governments to pass ordinances to increase penalties for placard misuse by \$100 per citation. For example, Los Angeles Department of Transportation reported that the city issued almost 1,900 citations in 2016. If Los Angeles increased its placard misuse penalty by the additional \$100, it might have raised nearly \$190,000 in additional revenue for placard enforcement.	See annualized benefits below
	<b>Lost Revenue</b> —We estimate that the city of San Francisco missed out on at least \$3.4 million in annual parking revenue based on a 15 percent rate of misuse due to people parking for free with disabled placards or plates.	\$3,400,000
<b>Annualized Carry Forward for July 1, 2016, Through June 30, 2017</b>		<b>\$154,236,200</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health <sup>†</sup> (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	181,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	36,000
2013-119 (August 2014)	Department of Health Care Services	1,270,700
2012-603 (August 2014)	Department of Human Resources and California State University	1,222,000
2014-301 (November 2014)	Superior Court of California, County of Alameda	48,000
2013-125 (December 2014)	Department of Health Care Services	14,000
2014-107 (January 2015)	Administrative Office of the Courts	13,893,500
2014-113 (January 2015)	Department of Public Health	500,000
2015-502 (July 2015)	Department of Social Services	23,200,000
2014-130 (August 2015)	Department of Health Care Services	2,019,000
2015-119 (March 2016)	State Board of Equalization <sup>#</sup>	360,000
2015-127 (April 2016)	Franchise Tax Board/ Corporate Tax Expenditures	40,000,000
2015-806 (August 2016)	City of Hemet	3,103,000
2015-803 (October 2016)	City of Maywood	25,000
2016-111 (November 2016)	City of Irwindale	3,520,000
2016-121 (April 2017)	Department of Motor Vehicles	190,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Total for July 1, 2015, Through June 30, 2016</b>		<b>\$147,198,000</b>
<b>Total One-Time Benefits for July 1, 2015, Through June 30, 2016</b>		<b>\$39,700,800</b>
2015-502 (July 2015)	<b>Follow-Up—California Department of Social Services: Although Making Progress, It Could Do More to Ensure the Protection and Appropriate Placement of Foster Children</b>	
	<b>Cost Savings</b> —The Department of Social Services (Social Services) has not implemented a recommendation from our 2011 audit to revise its regulations so that licensed foster homes have a higher priority than foster family agencies for children who do not have identified treatment needs. We estimate that if Social Services were to implement our recommendations, counties could save \$116 million over the next five years.	See annualized benefits below
2014-130 (August 2015)	<b>California Department of Health Care Services: It Should Improve Its Administration and Oversight of School-Based Medi-Cal Programs</b>	
	<b>Cost Savings/Avoidance</b> —When Health Care Services implemented a random moment time survey methodology for its administrative activities program, it missed an opportunity to implement a single statewide quarterly time survey. We estimate that the administrative activities program could save as much as \$1.3 million annually in coding costs alone if Health Care Services conducted a single statewide quarterly time survey.	See annualized benefits below
	<b>Lost Revenue</b> —Health Care Services has not maximized federal reimbursements applicable to the administrative activities program because it has not adequately maximized schools' participation. We estimate that the schools that were still not participating in the program during fiscal year 2011–12 missed out on claiming \$10.2 million in federal reimbursements for that same fiscal year. Additionally, Health Care Services has not maximized the federal reimbursement amount available for translation services in a school-based setting. Health Care Services has allowed California schools to claim only a 50 percent reimbursement rate. This resulted in the loss of an estimated \$4.6 million in federal funding from February 2009 through June 2015.	\$14,800,000
	<b>Cost Recovery</b> —We anticipate a future annual cost recovery of \$719,000 if Health Care Services revised reimbursement rates to authorize schools to claim the full allowable 75 percent rate.	See annualized benefits below
I2015-1 (August 2015) (Allegations I2013-0440, I2014-1440, I2014-1011, I2014-1398, I2015-0384)	<b>Investigations of Improper Activities by State Agencies and Employees: Violations of State Law Including Failure to Seek Competitive Bids, Increase Rental Rates, Properly Dispose of Surplus Property, and Adequately Supervise</b>	
	<b>Wasted Funds</b> —Correctional Health Care Services failed to seek competitive bids from vendors when it sought to upgrade the electrical infrastructure within state prisons beginning in 2011. It paid the contractor \$3.2 million to do nothing more than process invoices of the subcontractor, who performed all the work.	\$3,200,000
	<b>Lost Revenue</b> —Caltrans failed to increase the rental rates to reflect the fair market value of state land rented by telecommunications companies in the San Francisco Bay Area, in violation of a provision in their license agreements. Caltrans' failure to increase rates cost the State nearly \$883,000 in revenue from July 1, 2012 through September 30, 2014.	883,000
	<b>Wasted Funds/Cost Recovery</b> —For nearly two years, Corrections and Correctional Health Care Services improperly allowed three chief psychologists to receive extra compensation for being on call or for returning to work after their shifts ended to perform additional duties. As a result, the State overpaid these employees a total of \$96,000	96,000
	<b>Lost Revenue</b> —A field division chief and a civil maintenance branch chief (maintenance manager) with Water Resources failed to follow the appropriate policies when disposing of accumulated surplus property. The maintenance manager recycled property, including copper wire, without making the required notification to the branch in charge of property disposal. We estimate the state lost revenue of approximately \$8,000.	8,000
	<b>Wasted Funds</b> —The Chula Vista Veterans Home wasted state funds when it purchased a piece of equipment for nearly \$50,000 and rarely used it during the past five years.	50,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2016-1 (February 2016) (Allegations I2015-0478, I2014-0970, I2015-0084, and I2014-1285, I2014-0948, I2014-1576, I2013-1633)	<i>Investigations of Improper Activities by State Agencies and Employees: Misuse of State Resources, Forgery, False Time Reporting, Financial Interests Disclosure Violations, and Waste of State Funds</i>	
	<b>Wasted Funds</b> —A supervisor at Public Health misused state time by leaving for several hours during his shift nearly every day without using leave and without approval. We estimate the supervisor did not account for 234 hours of his work time, valued at nearly \$4,000, from January 2015 through the end of July 2015.	\$4,000
	<b>Wasted Funds</b> —An employee at the Department of Fish and Wildlife misused state resources by submitting a travel expense claim for meals and incidentals, and charging a state credit card for fuel for traveling to a two-day retirement planning fair that he did not attend. We estimate the employee misused approximately \$300 of state resources.	\$300
	<b>Cost Recovery</b> —A supervising nurse at Correctional Health Care Services forged seven military documents regarding the dates of his reservist duties and submitted false time sheets to his supervisor at Correctional Health Care Services. The supervising nurse did not work for the military on 10 of the 34 days identified in the forged documents, costing the state approximately \$4,000. Further, the state paid him nearly \$2,000 for four days he inaccurately indicated performing active duty when he actually performed inactive duty. We estimate the state overpaid the nurse nearly \$6,000.	6,000
	<b>Wasted Funds</b> —The Department of General Services (General Services) failed to update its statewide policy since forming a rental car contract with Enterprise. By appropriately making its policies and practices consistent with the statewide policy, the Department of Resources Recycling and Recovery (CalRecycle) unnecessarily spent approximately \$4,000 from July 2014 through June 2015. We estimate the total waste resulting from General Services' policy may have been much greater, given that other state agencies in the Sacramento area are also subject to this policy.	4,000
	<b>Wasted Funds</b> —Four psychiatrists at Patton State Hospital regularly worked an average of 22 to 29 hours per week instead of the average of 40 hours per week required by their collective bargaining agreement. We determined that the psychiatrists 2,254 hours of missed work between July 2014 and June 2015 had a value of nearly \$297,000.	297,000
	<b>Wasted Funds</b> —Water Resources wasted state funds when it improperly reimbursed three employees nearly \$4,500 in excess of the allowed amount for training as a result of its staff's inconsistent practices and failure to follow its training policies and procedures.	4,500
	<b>Cost Avoidance/Savings</b> —Water Resources could have saved nearly \$51,000 had its staff appropriately categorized training courses for seven employees and followed its policy of capping training reimbursements.	51,000
<b>Wasted Funds</b> —The Porterville Developmental Center wasted state funds when it charged only eight hours of leave to certain employees who missed scheduled nine-hour or 10-hour workdays. We determined that Porterville Developmental Center did not charge 566 hours of leave to the employees, which cost the State at least \$25,000.	25,000	
2015-119 (March 2016)	<i>State Board of Equalization#: Its Tobacco Tax Enforcement Efforts Are Effective and Properly Funded, but Other Funding Options and Cost Savings Are Possible</i>	
	<b>Cost Savings/Avoidance</b> —Although the number of locations licensed by retailers, distributors, and wholesalers has declined, the State Board of Equalization (Equalization) did not decrease the number of inspections it conducted which resulted in an increased frequency of inspections. We believe Equalization could return to its initial frequency of inspections and continue to maintain the high level of compliance with the cigarette tax law that the three-part enforcement program has already achieved. We estimate that conducting over 800 fewer inspections each year would result in cost savings of more than \$360,000 per year.	See annualized benefits below
2015-120 (March 2016)	<i>California Department of Transportation: Its Maintenance Division's Allocations and Spending for Field Maintenance Do Not Match Key Indicators of Need</i>	
	<b>Wasted Funds</b> —Caltrans paid a consultant to develop a budget model for its maintenance division's field maintenance program in 2009. However, the maintenance division never implemented the model. Therefore, we determined Caltrans wasted the \$250,000 it paid the consultant to develop the model.	\$250,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2015-127 (April 2016)	<b>Corporate Income Tax Expenditures: The State's Regular Evaluation of Corporate Income Tax Expenditures Would Improve Their Efficiency and Effectiveness</b>  <b>Increased Revenue</b> —We found that the tax expenditure—the waters edge election—may be providing corporations with unintentional benefits that reduce the state's revenue by mandating that all corporations use the water's edge election instead of allowing corporations to select between two tax structures could increase the state's tax revenue while continuing to fulfill the tax expenditure's purpose. The Franchise Tax Board (FTB) has estimated that including tax havens within the water's edge for California would result in additional state revenue of \$20 million for the first fiscal year and increase to \$40 million the following fiscal year.	\$20,000,000
2015-047 (May 2016)	<b>The State Bar of California: Its Lack of Transparency Has Undermined Its Communications With Decision Makers and Stakeholders</b>  <b>Wasted Funds</b> —The State Bar of California (State Bar) created and used a nonprofit organization with little or no board oversight from 2013 through 2015. About two-thirds of the expenses the State Bar recorded in the foundation's fund were for unrelated purposes. Specifically, the State Bar charged to the foundation more than \$22,000 in expenses that were unrelated to the Legal Services Trust Fund or Sections Program, the foundation's ostensible beneficiaries.	\$22,000
<b>Annualized Carry Forward for July 1, 2015, Through June 30, 2016</b>		<b>\$107,497,200</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health† (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	181,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	36,000
2013-119 (August 2014)	Department of Health Care Services	1,270,700
2012-603 (August 2014)	Department of Human Resources and California State University	1,222,000
2014-301 (November 2014)	Superior Court of California, County of Alameda	48,000
2013-125 (December 2014)	Department of Health Care Services	14,000
2014-107 (January 2015)	Administrative Office of the Courts	13,893,500
2014-113 (January 2015)	Department of Public Health	500,000
2015-502 (July 2015)	Department of Social Services	23,200,000
2014-130 (August 2015)	Department of Health Care Services	2,019,000
2015-119 (March 2016)	State Board of Equalization#	360,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Total for July 1, 2014, Through June 30, 2015</b>		<b>\$107,860,200</b>
<b>Total One-Time Benefits for July 1, 2014, Through June 30, 2015</b>		<b>\$12,879,000</b>
2013-119 (August 2014)	<b><i>California Department of Health Care Services: Its Failure to Properly Administer the Drug Medi-Cal Treatment Program Created Opportunities for Fraud</i></b>	
	<b>Cost Recovery</b> —Outpatient drug-free services providers in Los Angeles County and Fresno County could not locate all of the patients records we selected for testing, which amounted to \$11,502. In addition, the patient records for all three counties we visited did not always include the documentation that state regulations require, which amounted to \$49,618. In total, this amounted to \$ 61,120. When providers cannot produce patient records, they cannot demonstrate that they rendered services. Thus, the State and counties can recover the reimbursements they paid to these providers because the providers cannot produce patient records to support their claims.	\$61,000
	<b>Cost Recovery</b> —Health Care Services and the Department of Alcohol and Drug Programs approved approximately \$953,000 in potentially improper payments to providers of outpatient drug-free services, which includes \$10,000 for purportedly deceased beneficiaries. We estimate \$317,700 in continued annual savings through cost avoidance as a result of our recommendations.	953,000
	<b>Cost Recovery</b> —Although Health Care Services had already suspended or terminated provider sites associated with nearly \$71 million of the \$84 million in services we identified using five high-risk indicators, the remaining provider sites account for more than \$13 million. We found that providers could not locate or provide adequate documentation to justify reimbursement claims for roughly 22 percent, or \$2.8 million of the services we reviewed. We estimate \$953,000 in continued annual savings through cost avoidance as a result of our recommendations.	2,860,000
2012-603 (August 2014)	<b><i>High Risk Update: California Department of Human Resources and California State University: State Agencies Credited Their Employees With Millions of Dollars Worth of Unearned Leave</i></b>	
	<b>Cost Recovery</b> —From January 2008 through December 2012, state departments, agencies, California State University campuses, and other entities credited their employees with unearned leave worth nearly \$6.4 million as of December 2013. State law allows state agencies to recover overpayments to their employees only if the agencies initiate corrective action within three years of the date of the overpayment. We estimate \$1,222,000 in continued annual savings through cost avoidance as a result of our recommendations.	\$6,357,000
2014-301 (November 2014)	<b><i>Judicial Branch Procurement: Superior Court of California, County of Alameda: Five Superior Courts Did Not Consistently Follow Judicial Branch Contracting Practices</i></b>	
	<b>Wasted Funds/Cost Savings</b> —The Alameda court overpaid \$2,500 for mental health assessments for participants in the Parolee Reentry Court Program. It also purchased bottled water for court staff and jurors at a cost of over \$4,000 a month. The State Administrative Manual and the State Contracting Manual generally prohibit the purchase of bottled water for staff, except in limited circumstances, such as when the building water does not meet health standards. We estimate that the court could save \$48,000 each year by discontinuing purchasing bottled water for court staff and jurors.	\$51,000
2013-125 (December 2014)	<b><i>California Department of Health Care Services: Weaknesses in Its Medi-Cal Dental Program Limit Children's Access to Dental Care</i></b>	
	<b>Wasted Funds</b> —Health Care Services reimbursed more than \$70,000 for dental procedures that were purportedly provided to deceased beneficiaries between 2009 and 2013. We estimate \$14,000 in continued annual savings through cost avoidance as a result of our recommendations.	\$70,000
I2014-1 (December 2014) (Allegations I2010-1250, I2012-0355, I2011-0878)	<b><i>Investigations of Improper Activities by State Agencies and Employees: Theft of State Funds, Waste of Public Resources, Improper Headquarters Designation and Improper Travel Expenses, Dishonesty, Incompatible Activities, and Other Violations of State Law</i></b>	
	<b>Wasted Funds</b> —The California Military Department (Military Department) failed to keep an accurate inventory of state property at the Camp Roberts training facility, which led to a loss of \$33,411 worth of state property in June 2011.	\$33,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
	<p><b>Wasted Funds</b>—General Services allowed a private security firm's security guards to park free of charge in the building's parking garage despite the contract with the firm specifically stating that General Services has no obligation to provide this benefit. General Services would have received at least \$12,825 in parking revenue from October 2008 through June 2012. General Services reported in November 2014 that it will amend the contract with the firm to allow security guards working evenings and weekends to park in the building's garage without charge.</p>	13,000
	<p><b>Wasted Funds</b>—The Employment Development Department (EDD) failed to accurately designate an employee's office headquarters. Because of this inappropriate designation, the employee's supervisors approved \$20,695 in improper travel payments between July 2007 and January 2010. Had EDD properly designated the employee's headquarters, the State would not have incurred these travel expenses. In addition, the employee's supervisor approved an additional \$6,152 in improper travel expenses from January 2010 through July 2012.</p>	\$27,000
2014-107 (January 2015)	<p><i><b>Judicial Branch of California: Because of Questionable Fiscal and Operational Decisions, the Judicial Council and the Administrative Office of the Courts Have Not Maximized the Funds Available for the Courts</b></i></p> <p><b>Cost Savings</b>—The Administrative Office of the Courts (AOC) pays salaries to its employees that are higher than those in the executive branch. If the salaries of the AOC's three executive officers and the managers of its 20 offices matched the levels of comparable California executive branch positions, we estimate it would save \$1 million annually in cost savings.</p> <p><b>Wasted Funds/Cost Savings</b>—The AOC provides discounted transit passes for major public transportation providers, but it pays almost double the subsidy amounts for transit passes compared to the executive branch. For July 2010 through December 2013, this excess subsidy cost the AOC approximately \$1,160,000. We estimate an annual cost savings of \$330,000 associated with this recommendation.</p> <p><b>Cost Savings</b>—The AOC pay the employee share of the member's retirement contribution for certain executive and management staff hired before October 2012. We estimate the AOC will save approximately \$110,000 per fiscal year in cost savings if it ceases to pay these employees' shares.</p> <p><b>Wasted Funds/Cost Savings</b>—The AOC maintains three work locations, which has resulted in:</p> <ul style="list-style-type: none"> <li>• approximately \$25,000 spent on travel expenses for executive managers who work in different locations than the majority of their staff.</li> <li>• a salary differential of \$47,000 annually paid to AOC's internal audits office.</li> <li>• an excess \$5 million annually spent on rent.</li> </ul> <p><b>Cost Savings/Avoidance</b>—The AOC's use of contractors, temporary workers, and consultants has resulted in significantly higher costs than the AOC would have incurred had it hired state employees to perform this work. If the AOC replaced 55 contractors with state employees, it could save up to \$7 million per year. If the AOC use state employees instead of 15 temporary workers, it could save about \$200,000 per year. We estimate a continued cost savings of \$7,200,000 if the AOC implemented this recommendation.</p> <p><b>Cost Savings/Avoidance</b>—The AOC has assigned vehicles to its top executives, but we found that, on average, the three executives use the vehicles for business purposes for only about 20 percent of the time and personal use for the remaining 80 percent. If the AOC required these three executives to instead use their personal vehicles and claim the mileage reimbursement rate for their business miles, we estimate that it would save an average of roughly \$2,500 per vehicle each year.</p> <p><b>Cost Savings/Avoidance</b>—The AOC pays for parking for five office directors, which it estimates costs an average of about \$1,000 each month. Executive branch policy only allows for reimbursement if there will be business-related travel on the same day. If the AOC stops providing this benefit, we estimate a continued cost savings of \$12,000 a year.</p> <p><b>Wasted Funds/Cost Savings</b>—The AOC caters training sessions and meetings at its work locations and has greater allowances for meal costs than the executive branch. For fiscal years 2010–11 through 2012–13, this benefit cost approximately \$560,000. We estimate that AOC could save \$187,000 a year by discontinuing this benefit.</p>	<p>See annualized benefits below</p> <p>\$1,160,000</p> <p>See annualized benefits below</p> <p>See annualized benefits below</p> <p>25,000</p> <p>See annualized benefits below</p> <p>See annualized benefits below</p> <p>See annualized benefits below</p> <p>See annualized benefits below</p> <p>560,000</p> <p>See annualized benefits below</p>

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2014-118 (January 2015)	<b><i>California Department of Developmental Services: Its Process for Assessing Fees Paid by Parents of Children Living in Residential Facilities Is Woefully Inefficient and Inconsistent</i></b>  <b>Lost Revenue</b> —The Department of Developmental Services (Developmental Services) failed to provide timely assessments of parental fees. For the roughly 250 initial assessments Developmental Services performs each year, we estimated that the annual amount of unbilled fees caused by assessment delays ranges from \$740,000 to \$1.1 million. Based on Developmental Services' average collection rate of 60 percent, we calculated approximately \$552,000 in lost revenue.	\$552,000
2014-113 (January 2015)	<b><i>California Department of Public Health: Even With a Recent Increase in Federal Funding, Its Efforts to Prevent Diabetes Are Focused on a Limited Number of Counties</i></b>  <b>Lost Revenue</b> —We found two federal grants related to diabetes for which Public Health could have applied. Specifically, one had an award amount of up to \$500,000 per year for up to three years. Public Health stated that it did not have the resources and capacity required to apply for this particular grant.	See annualized benefits below
2014-121 (June 2015)	<b><i>University of California, Davis: It Has Not Identified Future Financing for the Strawberry Breeding Program nor Collected All Available Revenues</i></b>  <b>Lost Revenue</b> —Under the terms of the strawberry program's licensing agreements, the University of California (UC) Davis had opportunities to collect additional strawberry program revenues, but it chose not to do so. Over a three-year period, UC Davis did not collect approximately \$157,000 in interest charges from three licensed nurseries and a master licensee for late royalty payments.	\$157,000
<b>Annualized Carry Forward for July 1, 2014, Through June 30, 2015</b>		<b>\$94,981,200</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health† (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	181,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
2013-501 (March 2014)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	36,000
2013-119 (August 2014)	Department of Health Care Services	1,270,700
2012-603 (August 2014)	Department of Human Resources and California State University	1,222,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2014-301 (November 2014)	Superior Court of California, County of Alameda	\$48,000
2013-125 (December 2014)	Department of Health Care Services	14,000
2014-107 (January 2015)	Administrative Office of the Courts	13,893,500
2014-113 (January 2015)	Department of Public Health	500,000
<b>Total for July 1, 2013, Through June 30, 2014</b>		<b>\$594,777,000</b>
<b>Total One-Time Benefits for July 1, 2013, Through June 30, 2014</b>		<b>\$516,780,000</b>
2012-118 (July 2013)	<i>California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law</i>	
	<b>Cost Recovery</b> —The California Public Utilities Commission (CPUC) failed to provide guidance to its accounting staff regarding interest computation methodology, which resulted in CPUC overpaying an estimated \$40,000 in interest payments on intervenor claims. CPUC is currently in the process of collecting the overpaid interest from the intervenors.	\$40,000
2012-121.2 (September 2013)	<i>Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System</i>	
	<b>Wasted Funds</b> —State Parks inappropriately paid nearly \$16,400 for leave to five employees in fiscal years 2009–10 and 2010–11. These leave buyback transactions were unallowable under the employees’ relevant bargaining unit agreements.	\$16,000
I2011-0837 (October 2013)	<i>California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty</i>	
	<b>Wasted Funds</b> —The administrator of a veterans home operated by the Department of Veterans Affairs (Veterans Affairs) unwisely entered into two contracts on behalf of the home that wasted \$653,000 in state-managed funds and did not comply with state contracting requirements. Veterans Affairs wasted approximately \$424,000 during fiscal years 2009–10, 2010–11, and 2011–12 when it paid a vendor to manage the café and tavern at a veterans home when it could have arranged for another vendor to operate the café and tavern at little or no cost to the home. Veterans Affairs wasted nearly \$229,000 during fiscal years 2010–11 and 2011–12 when it entered into a contract that did not comply with state contracting requirements for the construction and operation of an adventure park and therefore had to spend funds to terminate the contract.	\$653,000
I2012-0651 (March 2014)	<i>Employment Development Department: It Failed to Participate in a Federal Program That Would Have Allowed the State to Collect Hundreds of Millions of Dollars</i>	
	<b>Lost Revenue</b> —EDD failed to take advantage of a federal program that would have allowed it to collect an estimated \$516 million owed to the State in unemployment benefit overpayments made to claimants. Several states chose to participate in the federal Treasury’s Offset Program to collect unemployment benefit overpayments from 2011 through 2013 with great success. However, EDD, acting on behalf of California, declined to participate in this aspect of the Offset Program, and instead persisted with its existing collection efforts.	\$516,000,000
2013-501 (March 2014)	<i>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun</i>	
	<b>Wasted Funds/ Cost Savings</b> —Over the two fiscal years we reviewed, the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun (board) reimbursed the San Francisco Bar Pilots approximately \$141,000 for what appear to be economy class tickets with fully refundable fares, compared to our estimate of nearly \$70,000—an amount based on the average of three airlines’ airfares for economy class tickets refundable for a small fee. This represents a potential savings of roughly \$71,000 over just a two year period. If the board carries out our recommendations regarding the purchase of airline tickets, we estimate \$36,000 in continuing annual savings through cost avoidance.	\$71,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Annualized Carry Forward for July 1, 2013, Through June 30, 2014</b>		<b>\$77,997,000</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health† (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	Department of Transportation	3,800,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	15,000
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	37,000
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	19,000
2012-117 (March 2013)	State Athletic Commission	181,000
2012-110 (April 2013)	Department of Motor Vehicles	6,000,000
<b>Total for July 1, 2012, Through June 30, 2013</b>		<b>\$140,107,000</b>
<b>Total One-Time Benefits for July 1, 2012, Through June 30, 2013</b>		<b>\$32,600,000</b>
2011-120 (August 2012)	<b><i>California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties</i></b>  <b>Increased Revenue</b> —Caltrans charged the majority of the State Route 710 (SR 710) property tenants rents that are, on average, 43 percent below market rate. Caltrans’ rental of the SR 710 properties at below-market values constitutes a gift of public funds, which is prohibited by the California Constitution unless such rentals serve a public purpose. If it charged market rates for the 345 SR 710 properties, Caltrans could potentially generate as much as \$3.8 million more per year in rental income. We expect this benefit to begin in fiscal year 2013–14.	Benefit begins next fiscal year
2012-105 (November 2012)	<b><i>Departments of Public Health and of Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children’s Trust Fund Limit Their Effectiveness</i></b>  <b>Cost Recovery</b> —Public Health did not provide proper oversight of the research foundation’s 2007 contract. In our review of the payroll information for 14 research foundation invoices paid under that contract, we found that Public Health may have been overcharged by roughly \$12,000 because the research foundation did not apply the allocation percentage stated in its original contract and adjust the allocation percentage for the subsequent amendments to the salaries of two individuals who were listed in the budgets.	\$12,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2010-102 (February 2011; December 2012 Update)	<p><b>Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management</b></p> <p><b>Cost Recovery</b>—In February 2011 we issued a report regarding the AOC California Court Case Management System (CCMS). We found that the AOC inadequately planned the project since 2003 and has consistently failed to develop accurate cost estimates or timelines for the projects. Subsequently, the Legislature did not provide additional funds for the deployment of CCMS. The Judicial Council voted to halt deployment of CCMS in March 2012 and Deloitte Consulting agreed to repay \$16 million to compensate for delays caused by numerous quality issues.</p>	\$16,000,000
I2012-1 (December 2012) (Allegation I2009-0634)	<p><b>Franchise Tax Board and Office of the Secretary of State: Investigations of Improper Activities by State Employees</b></p> <p><b>Cost Recovery</b>—An FTB employee, an Office of the Secretary of State (secretary) employee, and a courier service owner engaged in an elaborate scheme that enabled the courier service owner to steal nearly a quarter of a million dollars from the State. The three individuals were convicted of bribery and ordered to pay a total of approximately \$227,000 in restitution to the secretary and FTB. The failure of these agencies to maintain adequate controls contributed to the individuals' ability to perpetrate fraud.</p>	\$227,000
I2012-1 (December 2012) (Allegation I2008-1217)	<p><b>Employment Development Department: Investigations of Improper Activities by State Employees</b></p> <p><b>Cost Recovery</b>—A former EDD accounting technician and two accomplices were convicted of conspiracy to commit mail fraud for executing a scheme to redirect unemployment insurance (unemployment) benefits from the State to ineligible recipients. During the duration of their scheme, the two accomplices illicitly received nearly \$93,000 in unemployment claims for wages to which they were not entitled using U.S. mail to deliver their benefits from August 2008 through October 2010.</p>	\$93,000
I2012-1 (December 2012) (Allegation I2009-1341)	<p><b>California State Athletic Commission: Investigations of Improper Activities by State Employees</b></p> <p><b>Cost Recovery</b>—The California State Athletic Commission (Athletic Commission) overpaid approximately \$119,000 to 18 of its athletic inspectors from January 2009 through December 2010, because it inappropriately paid them at an hourly overtime rate rather than an hourly straight-time rate for work they performed. However, only about \$25,000 of that amount can be collected due to the statute of limitation for recovering overpayments.</p> <p><b>Wasted Funds</b>—Due to the statute of limitation for recovering overpayments, the Athletic Commission cannot recover \$94,000 of the \$119,000 the commission overpaid to 18 of its athletic inspectors from January 2009 through December 2010.</p> <p><b>Wasted Funds</b>—We identified \$29,000 in costs incurred over a two-year period that could have been avoided if the Athletic Commission had not employed as athletic inspectors persons who already were employed full-time by the State in classifications that are similar to the athletic inspector classification and thus were entitled to receive compensation at an overtime rate. If the Athletic Commission carries out all of our recommendations regarding the payment and hiring of athletic inspectors, we estimate \$14,525 in continuing annual savings through cost avoidance.</p>	\$25,000 94,000 29,000
I2012-1 (December 2012) (Allegation I2009-1218)	<p><b>Department of Fish and Game<sup>‡</sup>: Investigations of Improper Activities by State Employees</b></p> <p><b>Wasted Funds</b>—A supervisor with the Department of Fish and Game<sup>‡</sup> (Fish and Game) improperly implemented an agricultural lease agreement. He directed the lessee, in lieu of making lease payments, to purchase about \$54,000 in goods and services that did not constitute improvements and repairs to the leasehold, as required by the lease requirement.</p>	\$54,000
I2012-1 (December 2012) (Allegation I2009-0689)	<p><b>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b></p> <p><b>Wasted Funds</b>—A manager with Correctional Health Care Services improperly allowed Corrections employees to use rental cars paid for by the state and receive mileage reimbursements for commuting, and Corrections improperly approved this. The manager also improperly authorized these employees to receive reimbursements for expenses they incurred near their homes and headquarters, and Corrections improperly approved the payments. As a result, the State paid 23 employees a total of \$55,000 in travel benefits over 18 months that they were not entitled to receive. As a result of our identifying the improper reimbursements and Corrections implementing our recommendation to end the reimbursements, we estimate \$37,000 in continued annual savings.</p>	\$55,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2012-1 (December 2012) (Allegation I2009-1321)	<p><b>Natural Resources Agency: Investigations of Improper Activities by State Employees</b></p> <p><b>Wasted Funds</b>—From January 2009 through June 2011, an executive with the Natural Resources Agency (Resources) circumvented state travel regulations by improperly reimbursing an official and an employee about \$48,000 in state funds for commutes between their homes and headquarters and lodging and meal expenses incurred near Resources headquarters. If this pattern continued to occur, we estimate \$19,000 in continued annual savings through cost avoidance as a result of our recommendations.</p>	\$48,000
I2012-1 (December 2012) (Allegation I2010-1151)	<p><b>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b></p> <p><b>Cost Recovery</b>—A supervising registered nurse at the California Training Facility in Soledad (facility) falsely claimed to have worked 183 hours of regular, overtime, and on-call hours that have resulted in overpayments and ultimately overpaid the nurse about \$9,000. Staff at the facility's personnel office reported that they have begun the process to collect the overpayments identified in this report.</p>	\$9,000
I2012-1 (December 2012) (Allegation I2010-1022)	<p><b>University of California, Office of the President: Investigations of Improper Activities by State Employees</b></p> <p><b>Wasted Funds/Cost Recovery</b>—The UC reimbursed an official approximately \$4,200 for travel expenses he incurred from July 2008 through July 2011 based on wasteful travel policies and procedures. Additionally, the UC official improperly requested, and the UC improperly authorized, reimbursements for travel expenses totaling nearly \$1,800, and we recommended that the UC seek recovery of these reimbursements.</p>	\$6,000
I2005-2 (December 2012 Update) (Allegations I2004-0649, I2004-0681, I2004-0789)	<p><b>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b></p> <p><b>Cost Recovery</b>—Issued in September 2005, this investigation revealed that Corrections failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In June 2010 Corrections notified us that it had initiated litigation against the union to recover unreimbursed costs for all Corrections employees on full-time union leave. In January 2012 Corrections reached an agreement with the union that requires the union pay the State a total of \$3.5 million for all Corrections employees on full-time union leave through annual payments beginning that same month and continuing until the entire amount is paid.</p>	\$3,500,000
2012-117 (March 2013)	<p><b>State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question</b></p> <p><b>Wasted Funds</b>—Over the last three calendar years for administrative spending, the Athletic Commission spent a total of \$197,400 in excess of the allowable 20 percent limit of its annual contribution. Should the commission limit administrative spending to the allowable 20 percent, it could save an annual average of \$66,000.</p> <p><b>Lost Revenue</b>—The Athletic Commission's revenues are generally derived from taxes, assessments, and fees collected from events it regulates. Our review of 12 sample events found that the Athletic Commission failed to collect \$4,600 because it inconsistently adhered to its regulations and processes.</p> <p><b>Lost Revenue</b>—The Athletic Commission failed to maximize the money available to fund boxers' pension benefits by not transferring funds into a higher-yield investment account, potentially resulting in a loss of \$20,000 between fiscal years 2007–08 and 2010–11. This is an ongoing benefit of approximately \$5,000 per year.</p> <p><b>Lost Revenue</b>—In 2010 and 2011, the Athletic Commission inappropriately used funds from the Athletic Commission fund to pay \$40,000 in pension plan administration fees, despite the Legislature intending the pension fund to cover the administration of the pension plan.</p> <p><b>Increased Revenue</b>—The Athletic Commission reports that it has worked with the Legislature to raise the maximum fee it charges promoters for the sale or lease of broadcasting rights from \$25,000 to \$35,000 per event. In fiscal years 2010–11 and 2011–12, the Athletic Commission reported 22 instances where it collected a maximum broadcasting fee from promoters. Going forward, we estimate that the Athletic Commission will realize approximately \$110,000 in increased revenue annually as a result of these increased maximum fees.</p>	<p>\$197,000</p> <p>5,000</p> <p>20,000</p> <p>40,000</p>

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2009-0640 (March 2013)	<b>California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property</b>	
	<b>Cost Recovery</b> —A supervisor with Caltrans improperly removed steel beams from a Caltrans facility. After discovering this, Caltrans paid \$2,000 to transport the beams back to a Caltrans facility. We recommended that Caltrans seek reimbursement for the transportation cost from the supervisor.	\$2,000
	<b>Cost Recovery</b> —Caltrans improperly paid two technicians \$6,834 and \$6,954, respectively, for overtime and differential work hours that they did not work. We recommended that Caltrans seek reimbursement of these payments.	14,000
2012-110 (April 2013)	<b>Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported</b>	
	<b>Lost Revenue</b> —The DMV's policy is to collect retention fees for special license plates only when the plate owner notifies the department that he or she will again use the special plate on a vehicle. Using DMV's unaudited available data and the fees prescribed in statutes, we estimate that, because of this policy, it did not collect retention fees of \$12 million during fiscal years 2010–11 and 2011–12. We estimate that by implementing our recommendation to collect retention fees for all special plates retained by plate owners, DMV could realize up to \$6 million in increased revenue annually.	\$12,000,000
I2010-1045 (June 2013)	<b>California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees</b>	
	<b>Wasted Funds</b> —Corrections wasted \$126,952 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at six correctional facilities we examined. If what we found at the six facilities is representative of all correctional facilities during the period we examined, the amount wasted could be around \$400,000.	\$127,000
	<b>Wasted Funds</b> —Correctional Health Care Services wasted \$42,589 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at one correctional facility we examined.	43,000
<b>Annualized Carry Forward for July 1, 2012, Through June 30, 2013</b>		<b>\$107,507,000</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services <sup>§</sup>	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife <sup>‡</sup> (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of Mental Health <sup>†</sup> (Allegation I2009-0644)	76,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	2,090,000
2011-119 (June 2012)	Physical Therapy Board	28,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
<b>Total for July 1, 2011, Through June 30, 2012</b>		<b>\$131,432,000</b>
<b>Total One-Time Benefits for July 1, 2011, Through June 30, 2012</b>		<b>\$21,037,000</b>
2010-125 (August 2011)	<b>State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund</b>	
	<b>Increased Revenue</b> —The State Lands Commission (Lands Commission) should develop and adhere to policies and procedures that incorporate the State Administrative Manual’s guidance, including a process for consistently tracking delinquent leases. Also, the Lands Commission should continue to implement its newly established holdover reduction procedures and evaluate whether the procedures are having their intended effect. Additionally, the Lands Commission should conduct rent reviews on each fifth anniversary, as specified in its lease agreements, or include provisions in its leases to allow for the use of other strategies, such as adjusting rents annually using an inflation indicator. Finally, the Lands Commission should amend its regulations for establishing pipeline rents on state land.	\$8,320,000
I2011-1 (August 2011) (Allegation I2009-0644)	<b>Department of Mental Health†: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Savings</b> —A senior official with the Department of Mental Health (Mental Health) improperly was paid for activities that either were taken on behalf of a nonstate organization or did not serve a state purpose. Mental Health should evaluate the need for the senior official’s position.	\$76,000
I2011-1 (August 2011) (Allegation I2010-0844)	<b>California Energy Commission: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Recovery</b> —An employee and personnel specialist at the California Energy Commission (Energy Commission) falsified time and attendance records to enable the employee, at the time of her retirement, to receive a payment for unused annual leave that was higher than the amount to which she was entitled. The Energy Commission should seek to recover the amount it improperly paid the retiring employee for unused annual leave hours.	\$7,000
I2011-1 (August 2011) (Allegation I2009-0601)	<b>Department of Fish and Game‡: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Recovery</b> —A manager at Fish and Game improperly directed an employee to use a state vehicle for commuting between her home and work locations during a nine-month period. In addition, the employee improperly requested, and the manager improperly approved, reimbursement for lodging and meal expenses incurred by the employee near her headquarters. Fish and Game should initiate repayment from the manager for the costs—totaling \$9,000—associated with the misuse of the state vehicle and seek recovery of the improper lodging and meal reimbursements that were paid to the employee.	\$9,000
I2011-1 (August 2011) (Allegation I2009-1476)	<b>State Controller’s Office: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Recovery</b> —An employee of the State Controller’s Office (Controller’s Office) failed to report an estimated 322 hours of absences over an 18-month period. The Controller’s Office should seek reimbursement from the employee for the wages she did not earn.	\$7,000
2010-124 (September 2011)	<b>Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain</b>	
	<b>Cost Savings</b> —Corrections should suspend its use of the COMPAS core and reentry assessments until it has issued regulations, updated its operations manual, and has demonstrated to the Legislature that it has a plan to measure and report COMPAS’s effect on reducing recidivism.	\$2,090,000
2011-111 (March 2012)	<b>Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California’s Job Seekers Find Employment</b>	
	<b>Lost Revenue</b> —EDD missed opportunities to receive up to \$10.5 million from six federal grants available for workforce investment, and thus it is not availing itself of additional funds the State can use to help job seekers obtain employment. Because EDD does not have a grant review and approval process that documents its identification of grant opportunities and its final decisions related to such opportunities, we were unable to substantiate EDD’s reasons for foregoing grant opportunities.	\$10,500,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2011-119 (June 2012)	<b><i>Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately</i></b>  <b>Cost Savings</b> —One of the Physical Therapy Board of California's (physical therapy board) expert consultants has served as the in-house consultant since approximately 2003, performing cursory reviews of certain complaints before they may be referred to other expert consultants in the field. We believe that the physical therapy board may be able to save approximately \$28,000 to \$35,000 annually if it can hire a state physical therapy consultant at existing state rates to perform the same work as its in-house consultant.	\$28,000
<b>Annualized Carry Forward for July 1, 2011, Through June 30, 2012</b>		<b>\$110,395,000</b>
2002-009 (April 2003)	California Energy Markets	\$29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services <sup>§</sup>	4,600,000
I2004-2 (September 2004)	Department of Health Services <sup>§</sup> (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services <sup>§</sup>	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife <sup>‡</sup> (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
<b>Total for January 1, 2011, Through June 30, 2011</b>		<b>\$61,509,500</b>
<b>Total One-Time Benefits for January 1, 2011, Through June 30, 2011</b>		<b>\$12,000</b>
I2010-2 (January 2011) (Allegation I2008-1024)	<b><i>Department of General Services: Investigations of Improper Activities by State Employees</i></b>  <b>Cost Recovery</b> —A manager with General Services improperly used state vehicles for his daily commute for nine years. General Services should seek reimbursement from the manager for costs associated with his misuse of state vehicles.	\$12,000
<b>Annualized Carry Forward for January 1, 2011, Through June 30, 2011</b>		<b>\$61,497,500</b>
2002-009 (April 2003)	California Energy Markets	\$14,500,000
2002-118 (April 2003)	Department of Health Services <sup>§</sup>	10,000,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2003-106 (October 2003)	State Mandates	\$3,800,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	10,350,000
2003-124 (August 2004)	Department of Health Services <sup>§</sup>	2,300,000
I2004-2 (September 2004)	Department of Health Services <sup>§</sup> (Allegation I2002-0853)	4,500
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	32,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	145,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	59,500
2004-113 (July 2005)	Department of General Services	18,000
2004-134 (July 2005)	State Athletic Commission	16,500
2004-125 (August 2005)	Department of Health Services <sup>§</sup>	5,150,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	96,500
I2006-1 (March 2006)	Department of Fish and Wildlife <sup>‡</sup> (Allegation I2004-1057)	4,150,000
2007-037 (September 2007)	Department of Housing and Community Development	19,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	25,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	6,500
2007-122 (June 2008)	Department of Health Care Services	6,500,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	30,500
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	19,000
2009-030 (July 2009)	State Bar of California	142,500
2009-112 (May 2010)	Department of Health Care Services	2,350,000
2010-108 (June 2010)	Department of Public Health	1,783,000

***Benefits identified prior to 2011, but have annualized carry forward values***

2002-009 (April 2003)	<p><b><i>California Energy Markets: The State’s Position Has Improved, Due to Efforts by the Department of Water Resources and Other Factors, but Cost Issues and Legal Challenges Continue</i></b></p> <p><b>Cost Savings</b>—In response to an audit recommendation, Water Resources renegotiated certain energy contracts. Water Resources’ consultant estimates that the present value of the potential cost savings due to contract renegotiation efforts as of December 31, 2002, by Water Resources and power suppliers, when considering replacement power costs, to be \$580 million. For the purpose of this analysis, we have computed the average annual cost savings by dividing the \$580 million over the 20-year period the savings will be realized, which results in \$29 million annually.</p>	
2002-118 (April 2003)	<p><b><i>Department of Health Services<sup>§</sup>: Its Efforts to Further Reduce Prescription Drug Costs Have Been Hindered by Its Inability to Hire More Pharmacists and Its Lack of Aggressiveness in Pursuing Available Cost-Saving Measures</i></b></p> <p><b>Cost Savings</b>—The Department of Health Services (Health Services) estimated that it could save \$20 million annually by placing the responsibility on the pharmacists to recover \$1 copayments they collect from each Medi-Cal beneficiary filling a prescription. We estimate the State could begin to receive these savings each year beginning in fiscal year 2003–04.</p>	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2003-125 (July 2004)	<b>California Department of Corrections<sup>II</sup>: More Expensive Hospital Services and Greater Use of Hospital Facilities Have Driven the Rapid Rise in Contract Payments for Inpatient and Outpatient Care</b>	
	<b>Cost Savings</b> —The potential for Corrections to achieve some level of annual savings appears significant if it could negotiate cost-based reimbursement terms, such as paying Medicare rates, in its contracts with hospitals. We estimated potential savings of at least \$20.7 million in Corrections' fiscal year 2002–03 inmate hospital costs. Specifically, had Corrections been able to negotiate contracts without its typical stop-loss provisions that are based on a percent discount from the hospitals' charges rather than costs, it might have achieved potential savings of up to \$9.3 million in inpatient hospital payments in fiscal year 2002–03 for the six hospitals we reviewed that had this provision. Additionally, had Corrections been able to pay hospitals the same rates as Medicare—which bases its rates on an estimate of hospital resources used and their associated costs—it might have achieved potential savings of \$4.6 million in emergency room and \$6.8 million in nonemergency room outpatient services at all hospitals in fiscal year 2002–03. Recognizing that Corrections will need some time to negotiate cost-based reimbursement contract terms, we estimate that it could begin to realize savings of \$20.7 million annually in fiscal year 2005–06.	
2003-124 (August 2004)	<b>Department of Health Services<sup>S</sup>: Some of Its Policies and Practices Result in Higher State Costs for the Medical Therapy Program</b>	
	<b>Cost Savings</b> —Represents the savings Health Services would have achieved in fiscal year 2002–03 had it paid only the amount specifically authorized by law for the Medical Therapy Program. Of the total, \$3.6 million relates to the full funding of county positions responsible for coordinating services provided by special education programs; \$774,000 relates to Health Services' method for sharing Medi-Cal payments with counties; and \$254,000 relates to Health Services' failure to identify all Medi-Cal payments made to certain counties. This monetary cost savings value will carry forward through fiscal year 2011–12.	
I2004-2 (September 2004) (Allegation I2002-0853)	<b>Department of Health Services<sup>S</sup>: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Savings/Avoidance</b> —We found that managers and employees at Health Services' Medical Review Branch office in Southern California regularly used state vehicles for their personal use. We estimate Health Services could save an average of \$9,260 each year because its employees no longer use state vehicles for personal use.	
I2004-2 (September 2004) (Allegation I2002-1069)	<b>Military Department: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Savings/Avoidance</b> —We found that the Military Department improperly granted employees an increase in pay they were not entitled to receive. Because the Military Department has returned all the overpaid employees to their regular pay levels, it should be able to save approximately \$64,200 each year.	
2004-105 (October 2004)	<b>Department of Corrections<sup>II</sup>: Although Addressing Deficiencies in Its Employee Disciplinary Practices, the Department Can Improve Its Efforts</b>	
	<b>Cost Savings</b> —Corrections could save as much as \$290,000 annually by using staff other than peace officers to fill its employment relations officer positions.	
I2005-1 (March 2005) (Allegation I2003-0834)	<b>Department of Corrections<sup>II</sup>: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Recovery/Cost Savings</b> —In violation of state regulations and employee contract provisions, Corrections paid 25 nurses at four institutions nearly \$238,200 more than they were entitled to receive between July 1, 2001, and June 30, 2003. In addition to recovering past overpayments, Corrections can save \$119,000 annually by discontinuing this practice. Although Corrections now contends that the payments to 10 of the 25 nurses were appropriate, despite repeated requests, it has not provided us the evidence supporting its contention. Thus, we have not revised our original estimate.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2004-033 (May 2005)	<b>Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies</b>	
	<b>Cost Savings/Avoidance</b> —In a prior audit, we had noted that opportunities existed for General Services to increase the amount of purchases made under contract with drug companies, and we recommended in this audit that General Services continue its efforts to obtain more drug prices on contract by working with its contractor to negotiate new and renegotiate existing contracts with certain manufacturers. General Services reports that it has implemented contracts that it estimates will save the State \$5.1 million annually.	
	<b>Cost Recovery</b> —As we recommended, Health Services <sup>S</sup> identified and corrected all of the drug claims it paid using an incorrect pricing method. It expects to recoup the nearly \$2.5 million in net overpayments that resulted from its error.	
2004-113 (July 2005)	<b>Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs</b>	
	<b>Increased Revenue</b> —General Services identified 49 parkers it was not previously charging. By charging these parkers, General Services will experience increased revenue totaling \$36,000 per year.	
	<b>Cost Recovery</b> —General Services reports it has recovered or established a monthly payment plan to recover \$45,000 in previously unpaid parking fees.	
2004-134 (July 2005)	<b>State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered</b>	
	<b>Increased Revenue</b> —If the Athletic Commission raises the ticket assessment to meet targeted pension contributions as required by law, we estimate it will collect an average of \$33,300 more per year.	
2004-125 (August 2005)	<b>Department of Health Services<sup>S</sup>: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements</b>	
	<b>Increased Revenue</b> —We estimate that California school districts would have received at least \$53 million more in fiscal year 2002–03 if all school districts had participated in the program and an additional \$4 million more if certain participating schools had fully used the program. A lack of program awareness was among the reasons school districts cited for not participating. By stepping up outreach, we believe more schools will participate in the program and revenues will continue to increase. However, because participation continued to increase between fiscal years 2002–03 and 2004–05, the incremental increase in revenue will be less than it was in fiscal year 2002–03. Taking into account this growth in participation and using a trend line to estimate the resulting growth in revenues, we estimate that revenues will increase by about \$10.3 million per year beginning in fiscal year 2005–06.	
I2005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789)	<b>Department of Corrections<sup>II</sup>: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Recovery</b> —Corrections failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In addition to recovering past payments totaling \$365,500, Corrections can save \$192,500 annually by discontinuing this practice.	
I2006-1 (March 2006) (Allegation I2004-1057)	<b>Department of Fish and Game<sup>II</sup>: Investigations of Improper Activities by State Employees</b>	
	<b>Increased Revenue</b> —Fish and Game allowed several state employees and volunteers to reside in state-owned homes without charging them rent, consequently providing gifts of public funds. A subsequent housing review conducted by the Department of Personnel Administration demonstrated that all 13 state departments that own employee housing may be underreporting or failing to report housing fringe benefits. As a result, the State could increase revenues as much as \$8.3 million by charging fair-market rents.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2007-037 (September 2007)	<b>Department of Housing and Community Development: Awards of Housing Bond Funds Have Been Timely and Complied With the Law, but Monitoring of the Use of Funds Has Been Inconsistent</b>	
	<b>Lost Revenue</b> —Excessive advances are provided without consideration for interest earnings the State could receive. Without corrective action, this loss could continue for the life of the program.	
I2008-1 (April 2008) (Allegation I2006-0665)	<b>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</b>	
	<b>Wasted Funds</b> —Corrections leased 29 parking spaces at a private parking facility but did not use them.	
I2008-1 (April 2008) (Allegation I2006-1040)	<b>Department of Social Services: Investigations of Improper Activities by State Employees</b>	
	<b>Cost Recovery/Cost Savings</b> —Social Services improperly paid contractors for overhead costs that violated state policy. Social Services also will avoid these improper payments totaling about \$13,000 annually in the future.	
2007-122 (June 2008)	<b>Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharged Medi-Cal</b>	
	<b>Cost Savings</b> —If Health Care Services implements our recommendation to identify more feasible Medi-Cal reimbursement monitoring and enforcement, we estimate that it could continue to avoid \$13 million in overpayments annually.	
2008-103 (November 2008)	<b>California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources</b>	
	<b>Cost Savings</b> —We identified parking spaces maintained by the Unemployment Insurance Appeals Board (board) for which the board had little assurance were being used for their intended and allowable purposes. In March 2009 the board eliminated 31 of its 35 parking spaces, which will save \$61,000 annually. We are showing a benefit of \$20,000 for the remainder of fiscal year 2008–09.	
2009-030 (July 2009)	<b>State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs</b>	
	<b>Lost Revenue/Increased Revenues</b> —State Bar has not updated the formula it uses to bill disciplined attorneys, although the discipline costs have increased 30 percent during the last five years. We estimate that if it had updated the billing formula, it could have billed an additional \$850,000 for the past three years. Additionally, if the State Bar updates the formula, we estimate that it could increase revenue in future years by approximately \$285,000 annually.	
2009-043 (November 2009)	<b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements</b>	
	<b>Increased Revenue</b> —The Board of Pilot Commissioners (board) did not receive all revenues for the surcharge to fund training new pilots, as required by law. By collecting these fees, we calculated that the board will collect an additional \$8,640 annually based on the current surcharge of \$9 per trainee.	
	<b>Cost Savings</b> —The board offers free parking to employees, which may constitute a misuse of state resources. By cancelling its lease for parking, the board will save the total value of the lease, \$4,760 over the course of a year. Additionally, if the board ceases reimbursing pilots for business-class airfare when they fly for training, we believe that it will incur a savings in the future. We believe these future savings will be approximately \$30,000 annually.	
2009-118 (August 2010)	<b>Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers</b>	
	<b>Cost Recovery</b> —We found that Developmental Services did not generally examine how regional centers established rates or selected particular vendors. Our review found that the manner in which some regional centers established payment rates and selected vendors had the appearance of favoritism or fiscal irresponsibility. Based on our review of Developmental Services' recent fiscal audits, it has recovered roughly \$15 million as a direct result of our recommendations and findings. If Developmental Services continues to carry out our recommendations, we estimate \$15 million in continued annual savings through a combination of cost recovery and cost avoidance.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2009-112 (May 2010)	<b>Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits</b>	
	<b>Cost Avoidance</b> —If Health Care Services performed cost-benefit analyses on treatment authorizations requests (TARs) with very low denial rates, it could ascertain which TAR’s administrative costs equaled or exceeded its savings. By performing this analysis, we estimate that it could save \$4.7 million annually by identifying which TARs are not cost-effective to process and remove authorization requirements for these services.	

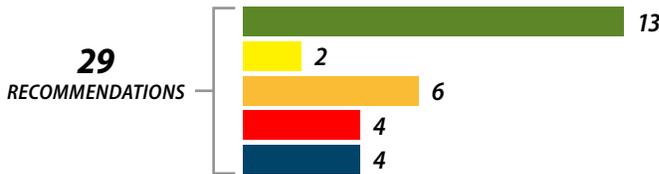
- \* This table covers an eight-year span and several departments have undergone name changes. To be consistent, we use each department’s current name throughout the table.
- † As of July 1, 2012, the California Department of Mental Health became the Department of State Hospitals.
- ‡ As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.
- § On July 7, 2007, the Department of Health Services was reorganized and became two departments—the Department of Health Care Services and the Department of Public Health.
- || On July 1, 2005, the Governor reorganized all departments under the Youth and Adult Correctional Agency, including the Department of Corrections, into the California Department of Corrections and Rehabilitation.
- # On July 1, 2017, the Taxpayer Transparency and Fairness Act of 2017 restructured the California State Board of Equalization. This act created the California Department of Tax and Fee Administration to perform the statutory duties formerly assigned to the California State Board of Equalization.

PAGE LEFT BLANK INTENTIONALLY

# Appendix

## STATUS OF RECOMMENDATIONS AT A GLANCE

**Report Number 2016-109** | Uniform Complaint Procedures:  
The California Department of Education’s Inadequate Oversight Has Led to a Lack of Uniformity and Compliance in the Processing of Complaints and Appeals (*January 2017*)



**Report Number 2016-114** | College Readiness of California’s High School Students: The State Can Better Prepare Students for College by Adopting New Strategies and Increasing Oversight (*February 2017*)



**Report Number I2017-1** | Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (*March 2017*)



**Report Number 2016-036** | Indian Gaming Special Distribution Fund: The Method Used to Mitigate Casino Impacts Has Changed, and Two Counties’ Benefit Committees Did Not Ensure Compliance With State Law When Awarding Grants (*March 2017*)



**Report Number 2016-126** | California Department of Social Services: Its Caregiver Background Check Bureau Lacks Criminal History Information It Needs to Protect Vulnerable Populations in Licensed Care Facilities (*March 2017*)





**Report Number 2016-128 | In Home Supportive Services:**  
The State Could Do More to Help Providers Avoid Future Payment Delays  
(March 2017)



**Report Number 2016-117 | Alliance College-Ready Public Schools: The Nonprofit Did Not Spend Public Funds or Divert Classroom Resources in Response to Unionization Efforts** (April 2017)



**Report Number 2016-121 | Department of Motor Vehicles:**  
Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Person Parking Placards (April 2017)



**Report Number 2016-122 | California State University:**  
Stronger Oversight Is Needed for Hiring and Compensating Management Personnel and for Monitoring Campus Budgets (April 2017)



**Report Number 2016-130 | The University of California Office of the President:** It Failed to Disclose Tens of Millions in Surplus Funds, and Its Budget Practices Are Misleading (April 2017)



**Report Number 2016-133 | SAFE-BIDCO:** At Risk of Insolvency, It Needs Increased Oversight if It Is to Receive State Funding and Continue to Help Small Businesses in California Gain Financing (April 2017)



**Report Number 2016-127 | Home-Generated Sharps and Pharmaceutical Waste:** By Designating a Lead Agency, the State Could Increase Proper Disposal (May 2017)



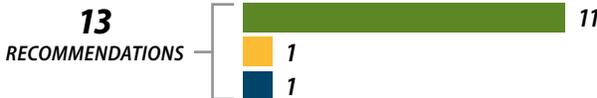
**Report Number 2016-129 | K-12 High Speed Network:** Improved Budgeting, Greater Transparency, and Increased Oversight Are Needed to Ensure That the Network Is Providing Reliable Services at the Lowest Cost to the State *(May 2017)*



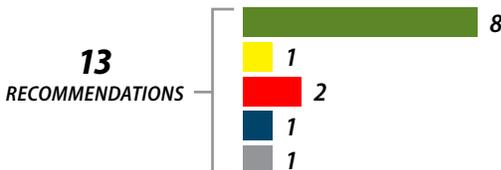
**Report Number 2017-030 | The State Bar of California:** It Needs Additional Revisions to Its Expense Policies to Ensure That It Uses Funds Prudently *(June 2017)*



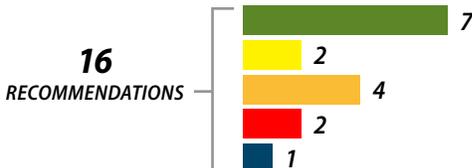
**Report Number 2016-124 | Department of General Services and California Department of Technology:** Neither Entity Has Provided the Oversight Necessary to Ensure That State Agencies Consistently Use the Competitive Bidding Process *(June 2017)*



**Report Number 2016-139 | California Department of Education:** It Has Not Ensured That School Food Authorities Comply With the Federal Buy American Requirement *(July 2017)*



**Report Number 2016-125.1 | The University of California Office of the President:** It Has Not Adequately Ensured Compliance With Its Employee Displacement and Services Contract Policies *(August 2017)*

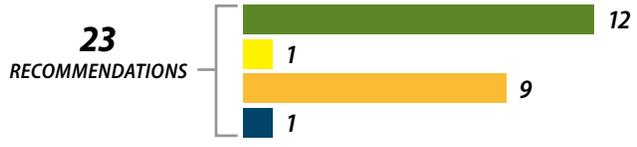


**Report Number 2016-125.2 | The University of California Office of the President:** Increasing Costs and Scheduling Delays Have Hampered the UCPath Project and Originally Anticipated Savings Are Unlikely to Materialize *(August 2017)*





**Report Number 2016-131 | California Department of Corrections and Rehabilitation: It Must Increase Its Efforts to Prevent and Respond to Inmate Suicides (August 2017)**



**Report Number 2016-136 | School Violence Prevention: School Districts, County Offices of Education, and the State Must Do More to Ensure That School Safety Plans Help Protect Students and Staff During Emergencies (August 2017)**



**Report Number I2017-2 | Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)**



**Report Number 2017-107 | Santa Clara County Registrar of Voters: Insufficient Policies and Procedures Have Led to Errors That May Have Reduced Voters' Confidence in the Registrar's Office (October 2017)**



**Report Number 2016-132 | Department of Water Resources: The Unexpected Complexity of the California WaterFix Project Has Resulted in Significant Cost Increases and Delays (October 2017)**



**Report Number 2016-141 | Charter Schools: Some School Districts Improperly Authorized and Inadequately Monitored Out of District Charter Schools (October 2017)**



**Report Number 2017-104 | Montebello Unified School District:**  
County Superintendent Intervention Is Necessary to Address Its Weak Financial Management and Governance (November 2017)



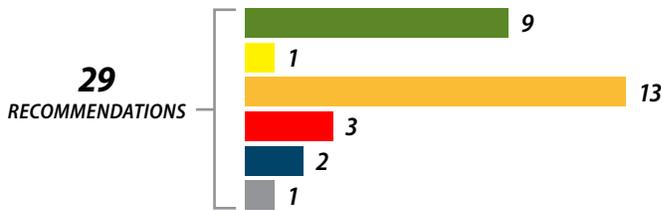
**Report Number 2017-106 | The Bradley Burns Tax and Local Transportation Funds:** Changing the Allocation Structure for the Bradley Burns Tax Would Result in a More Equitable Distribution of Local Transportation Funding (November 2017)



**Report Number 2017-101 | Concealed Carry Weapon Licenses:** Sheriffs Have Implemented Their Local Programs Inconsistently and Sometimes Inadequately (December 2017)



**Report Number 2017-102 | California Community Colleges:** The Colleges Reviewed Are Not Adequately Monitoring Services for Technology Accessibility, and Districts and Colleges Should Formalize Procedures for Upgrading Technology (December 2017)



**Report Number 2017-103 | Workers' Compensation Insurance:** The State Needs to Strengthen Its Efforts to Reduce Fraud (December 2017)



**Report Number 2017-302 | Judicial Council of California:** It Needs to Follow Competitive Bidding Processes More Consistently and Establish Clear Guidance for Invoice Processing (December 2017)





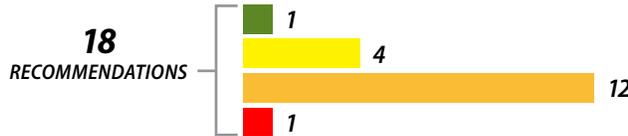
**Report Number 2017-117 | Mental Health Services Act:**  
The State Could Better Ensure the Effective Use of Mental Health Services Act Funding *(February 2018)*



**Report Number 2017-113 | South Orange County Wastewater Authority:** It Should Continue to Improve Its Accounting of Member Agencies' Funds and Determine Whether Members Are Responsible for Its Unfunded Liabilities *(March 2018)*



**Report Number 2017-118 | State and Regional Water Boards:** They Must Do More to Ensure That Local Jurisdictions' Costs to Reduce Storm Water Pollution Are Necessary and Appropriate *(March 2018)*



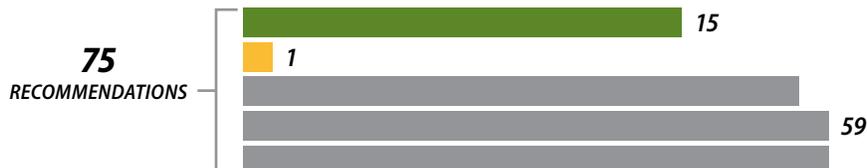
**Report Number 2017-112 | Homelessness in California:** State Government and the Los Angeles Homeless Services Authority Need to Strengthen Their Efforts to Address Homelessness *(April 2018)*

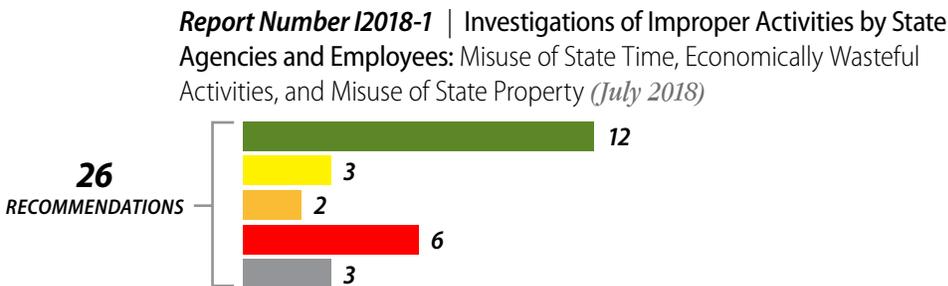
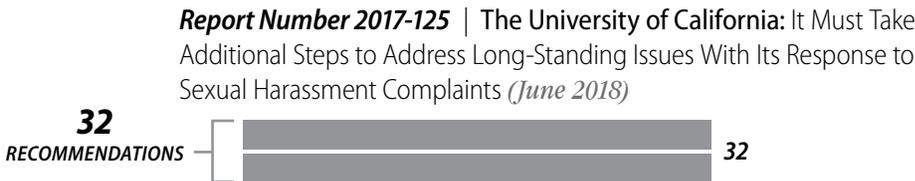
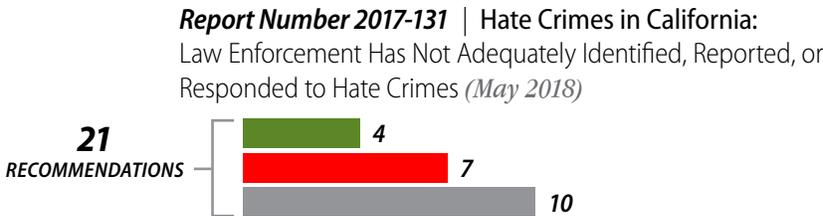
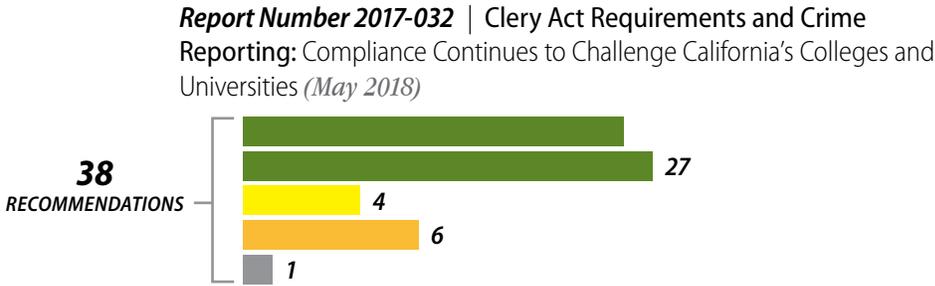


**Report Number 2017-116 | Community Child Care Council of Santa Clara County:** Because It Disadvantaged Some Families and Misused State Funds, It Could Benefit From Increased Monitoring by the California Department of Education *(April 2018)*



**Report Number 2017-119 | California State University:** It Has Not Provided Adequate Oversight of the Safety of Employees and Students Who Work With Hazardous Materials *(April 2018)*







**Report Number 2017-124 | San Diego County's Health and Human Services Agency:** It Cannot Demonstrate That It Employs the Appropriate Number of Public Health Nurses to Efficiently Serve Its Residents  
(July 2018)



**Report Number 2017-129 | Department of Rehabilitation:** Its Inadequate Guidance and Oversight of the Grant Process Led to Inconsistencies and Perceived Bias in Its Evaluations and Awards of Some Grants  
(July 2018)



**Report Number 2018-104 | Toll Bridge Seismic Retrofit Program:** The State Could Save Millions of Dollars Annually by Implementing Lessons Learned  
(August 2018)



**Report Number 2018-037 | California Department of Housing and Community Development:** Its Oversight of Housing Bond Funds Remains Inconsistent  
(September 2018)



**Report Number 2018-106 | Correctional Officer Health and Safety:** Some State and County Correctional Facilities Could Better Protect Their Officers From the Health Risks of Certain Inmate Attacks  
(September 2018)



**Report Number 2018-107 | California Department of Resources Recycling and Recovery:** It Has Not Provided the Oversight Necessary to Ensure That the Mattress Recycling Program Fulfills Its Purpose  
(September 2018)



**Report Number 2018-102** | Tulare Local Healthcare District: Past Poor Decisions Contributed to the Closure of the Medical Center, and Licensing Issues May Delay Its Reopening (October 2018)



**Report Number 2018-603** | Department of Health Care Services: It Paid Billions in Questionable Medi-Cal Premiums and Claims Because It Failed to Follow Up on Eligibility Discrepancies (October 2018)



**Report Number 2018-108** | California High-Speed Rail Authority: Its Flawed Decision Making and Poor Contract Management Have Contributed to Billions in Cost Overruns and Delays in the System's Construction (November 2018)



**Report Number 2018-116** | San Diego's Hepatitis A Outbreak: By Acting More Quickly, the County and City of San Diego Might Have Reduced the Spread of the Disease (December 2018)



**Report Number 2018-118** | California Public Utilities Commission: It Could Improve the Transparency of Water Rate Increases by Disclosing Its Review Process and Ensuring That Utilities Notify Customers as Required (December 2018)

