

# AGENDA

## ASSEMBLY BUDGET SUBCOMMITTEE NO. 4 ON STATE ADMINISTRATION

**ASSEMBLYMEMBER GEORGE NAKANO, CHAIR**

**TUESDAY, APRIL 6, 1999  
STATE CAPITOL, ROOM 447  
1:30 P.M.**

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## CONSENT CALENDAR

### **0510 SECRETARY FOR STATE & CONSUMER SERVICES**

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The Secretary for State & Consumer Services oversees a wide range of departments that encompass a diverse purview of responsibilities, including for example, the California Science Center and the State Personnel Board. The Governor's budget includes \$1.2 million for the Secretary of State & Consumer Services.

### **1120 BOARD OF ACCOUNTANCY**

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The Board of Accountancy serves as the regulatory body for the accounting profession through its authority to grant licenses and to ensure adherence to industry standards. The Governor's budget proposes \$9.4 million for the Board primarily from the Accountancy Fund, a minor decrease from current year expenditures.

### **1140 ATHLETIC COMMISSION**

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The Athletic Commission protects against fraud and abuse in industries promoting boxing and full-contact karate. It establishes and enforces standards through inspections and attendance at events. The Governor's budget includes \$937,000 for the Commission.

### **1170 BOARD OF BEHAVIORAL SCIENCES**

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The Board of Behavioral Science Examiners develops and enforces professional standards for family counselors, social workers, and educational psychologists. The Governor's budget includes \$4.4 million for the Board, primarily from the Behavioral Science Examiners Fund.

### **1260 BOARD OF DENTAL EXAMINERS**

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The Board of Dental Examiners regulates the professions related to dental treatment, which includes dentists, hygienists, and assistants, through the establishment and enforcement of licensing standards. It also certifies dental schools and educational programs. Serving the objectives and operating under the authority of the Board are the Board of Dentistry and the Committee on Dental Auxiliaries. The Governor's budget proposes \$7.5 million for the Board, primarily from the State Dentistry Fund and the State Dental Auxiliary Fund.

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## **1340 BOARD OF REGISTRATION FOR GEOLOGISTS & GEOPHYSICISTS**

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The Board of Registration for Geologists & Geophysicists develops and enforces professional standards, while administering examinations and granting licenses to geologists and geophysicists. The Governor's budget proposes \$918,000 for the Board from the Geology and Geophysics Fund, a slight decrease from current year expenditures.

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## **1350 BOARD OF GUIDE DOGS FOR THE BLIND**

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The Board of Guide Dogs for the Blind licenses instructors and ensures that they meet professional qualifications and standards. The Governor's budget proposes \$111,000 for the Board from the State Board of Guide Dogs for the Blind Fund.

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## **1420 PHYSICAL THERAPY EXAMINING COMMITTEE**

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The Physical Therapy Examining Committee licenses physical therapists, while establishing and enforcing professional standards. The Governor's budget proposes \$1.5 million for the Committee, primarily from the Physical Therapy Fund.

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## **1430 PHYSICIAN ASSISTANT EXAMINING COMMITTEE**

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The Physician Assistant Examining Committee ensures that only those who meet specified qualifications are licensed as physician assistants, and that related educational programs satisfy established requirements. The Governor's budget proposes \$801,000 for the Committee, predominantly from the Physician Assistant Fund.

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## **1440 BOARD OF PODIATRIC MEDICINE**

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The Board of Podiatric Medicine serves as the regulatory entity for the podiatrist profession. It grants licenses and investigates complaints. The Governor's budget includes \$989,000 for the Board, primarily from the Board of Podiatric Medicine Fund.

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## **1450 BOARD OF PSYCHOLOGY**

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The Board of Psychology ensures that licensed psychologists meet professional qualifications and adhere to standards of conduct, while aiming to inform the public of the laws governing the profession. The Governor's budget includes \$2.9 million for the Board, primarily from the Psychology Fund.

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## **1455 RESPIRATORY CARE EXAMINING COMMITTEE**

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The Respiratory Care Examining Committee conducts examinations for, and is authorized to license, those who seek to practice as respiratory care specialists. The Governor's budget includes \$1.7 million for the Committee, primarily from the Respiratory Care Fund.

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## **1480 BOARD OF OPTOMETRY**

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The Board of Optometry serves as the regulatory body for the optometrist profession, primarily through the issuance of licenses to qualified applicants. The Governor's budget includes \$1 million for the Board, predominantly from the State Optometry Fund.

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## **1500 BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS & LAND SURVEYORS**

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The Board for Engineers and Land Surveyors ensures that engineers and land surveyors satisfy standards of expertise and education. It regulates the profession through examinations and the issuance of licenses. The Governor's budget proposes \$6.9 million for the Board, mainly from the Professional Engineer and Land Surveyor Fund.

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## **1510 BOARD OF REGISTERED NURSING**

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The Board of Registered Nursing certifies nurses for practice through the granting of licenses, continued education and training programs, and enforcement of professional standards. The Governor's budget proposes \$13 million for the Board, primarily from the Board of Registered Nursing Fund.

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## **1560 VETERINARY MEDICAL BOARD**

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The Veterinary Medical Program operates two entities that serve its regulatory functions. The Veterinary Medical Board grants licenses and conducts examinations of facilities to ensure compliance with professional standards. The Registered Veterinary Technician Examining Committee merged with the Veterinary Board effective July 1, 1998, and certifies veterinary technicians for practice. The Governor's budget includes \$1.5 million for the Program, primarily from the Veterinary Medical Board Contingent Fund.

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**1590 BOARD OF VOCATIONAL NURSE PROGRAM**

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The Board of Vocational Nurse Program grants licenses to qualified vocational nurses. The Governor's budget proposes \$4 million for the Board mainly from the Vocational Nurse Examiners Fund.

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**1600 BOARD OF PSYCHIATRIC TECHNICIANS PROGRAM**

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The Board of Psychiatric Technicians Program grants licenses to qualified psychiatric technicians. The Governor's budget includes \$1 million for the Board, primarily from the Psychiatric Technicians Account.

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**8500 BOARD OF CHIROPRACTIC EXAMINERS**

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The Board of Chiropractic Examiners serves as the regulatory entity for the chiropractic profession. Through licensing, education, and investigations, the Board ensures compliance with professional standards. The Governor's budget proposes nearly \$1.8 million for the Board, primarily from the State Board of Chiropractic Examiners Fund.

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**8510 OSTEOPATHIC MEDICAL BOARD**

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The Osteopathic Medical Board establishes, enforces, and ensures compliance with regulations for osteopathic physicians and surgeons principally through the issuance of licenses and investigations. The Governor's budget includes \$922,000 for the Board, mostly from the Osteopathic Medical Board of California Contingent Fund.

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**8530 BOARD OF PILOT COMMISSIONERS FOR THE BAYS OF SAN FRANCISCO, SAN PABLO AND SUISUN**

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The Board of Pilot Commissioners administers exams and grants licenses to pilots for service to vessels departing the bays of San Francisco, San Pablo, and Suisun. The Governor's budget includes \$1.2 million for the Board from the Board of Pilot Commissioners' Special Fund.

**1111 DEPARTMENT OF CONSUMER AFFAIRS**

The predominant duty of the Department of Consumer Affairs is the education and protection of consumers to ensure a fair and honest marketplace. In addition, and within the scope of its purpose, the Department of Consumer Affairs oversees professional and occupational practices on behalf of the state's consumers through nine bureaus and programs. It shares this oversight and regulatory authority with 28 quasi-independent committees, boards, and commissions. The Governor's budget proposes \$360 million for the Department of Consumer Affairs and its related entities.

**ISSUE 1: BUREAU OF AUTOMOTIVE REPAIR: SMOG CHECK PROGRAM –  
INFORMATIONAL ONLY**

\$133 million is allocated in the Governor's budget for the two components of the Smog Check program, which is administered by the Bureau of Automotive Repair. The vehicle inspection and maintenance program received \$70 million of the total allocation from the Vehicle Inspection and Repair Fund (VIRF), and represents the state's strategy for meeting federally mandate clean air requirements. The High Polluter Repair or Removal Account (HPRRA) funds the remaining \$62 million, which is intended to support past legislative initiatives aimed at mitigating some costs borne by certain motorists in order to comply with the mandates of the Smog Check Program. The Legislative Analyst's Office recommends that the Legislature not approve funding for the program until the Bureau of Automotive Repair submits a report on the status of these components and whether they are fulfilling their stated objectives.

**BACKGROUND:**

The Bureau of Automotive Repair implemented the original Smog Check Program in 1984, when vehicles were tested and repaired at privately owned stations. In 1990, Congress passed the Clean Air Act, which required motor vehicles to be tested in a centralized system operated by the state and repaired by privately operated repair shops. Through compromise, the state and the U. S. Environmental Protection Agency agreed with California on a modified policy, known as the State Implementation Plan (SIP). Passed by the Legislature in 1994 and approved by the EPA in 1996, the SIP allowed California to focus primarily on gross polluting vehicles in order to make the program more convenient for consumers with clean or relatively clean vehicles.

The SIP encompasses a number of components; one of which calls for the state to implement a test and repair network that encompasses test-only stations and test-and-repair facilities. Gross polluting vehicles, as designated by the state, are sent to test-only stations for initial and final testing. According to the LAO, the system of test-only stations did not begin until September of 1998. In addition to a structure of test and repair stations, the SIP required an on-road-testing program using remote sensing detection devices. The Bureau of Automotive Repair implemented a pilot program in 1996, but has not operated an on-road testing program for the past two years, instead, shifting appropriations for this purpose to other areas within the organization, which was a concern raised by the LAO.

Another aspect of the Smog Check program includes non-SIP elements, created by legislative initiatives with the intention of relieving the financial burden and level of inconvenience experienced by program participants. AB 57 (Escutia), Chapter 804, Statutes of 1997 established the Low-Income Repair Assistance Program (LIRAP), which subsidizes repair costs for low-income individuals. According to the LAO, the Bureau of Automotive Repair expected LIRAP to be operational statewide by Spring 1999. In addition to LIRAP, SB 198 (Kopp) Chapter 28, Statutes of 1994 authorized the implementation of the Vehicle Retirement Program (VRP), which provides the opportunity for those whose vehicles have failed a smog test to sell their vehicles to the state for up to \$450. The purchased vehicle would then be sold to a scrap dealer for destruction. The LAO reported that the VRP commenced statewide operation in November 1998.

As agreed upon in the State Implementation Plan, California must meet federal clean air standards by 2010. The SIP delegated the responsibility of monitoring the implementation and progress of the Smog Check program to the Inspection and Maintenance Review Committee and the Air Resources Board.

<b>COMMENTS:</b>
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LAO recommends the Legislature not approve funding for the Smog Check program pending a report on the status of its SIP and non-SIP components, and on the program's progress in meeting federally-mandated clean air requirements.

Currently, the Administration is conducting an exhaustive review of the Smog Check program, and its various elements, the results of which will address the issues raised by the LAO, and be submitted imminently to the Legislature for analysis and action.

**ISSUE 2: PERFORMANCE BASED BUDGETING – INFORMATIONAL ONLY**

The Department of Consumer Affairs currently participates in the Performance Based Budgeting (PBB) pilot program, implemented in 1994. The program is in its final year, and legislative action can be taken to either adopt or reject language granting the department its continued fiscal and administrative flexibility as part of the PBB design.

**BACKGROUND:**

Beginning in 1994, the Department of Consumer Affairs entered into the Performance Based Budgeting pilot program, established by the Performance and Results Act of 1993 (Chapter 641, Statutes of 1993), where resources would be allocated by expected outcomes or performance, and the department would possess flexibility in its budget to allow for more organizational efficiency. In essence, the Legislature extends a level of autonomy to the department in return for a verifiable degree of performance and service.

Some of the administrative and budgetary capacities allowed through the program include the ability to establish positions and to redirect appropriations up to a certain percentage.

**COMMENTS:**

Though the DCA has consistently submitted reports to the Legislature on the status of the program, there remains a dearth of substantive and conclusive information indicating its value and efficacy. However, the Department of Parks and Recreation is often referenced as an example of how Performance Based Budgeting can be effective in developing organizational efficiency and attaining performance standards.

Currently, the Administration is conducting a review of the pilot program, the results of which will be submitted imminently in a report to the Legislature for analysis and action.

Attached to the agenda is the trailer bill language authorizing the continued participation by the Department of Consumer Affairs in the Performance Based Budgeting pilot program.



## 1390 MEDICAL BOARD OF CALIFORNIA

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### ISSUE 1: PROPOSED AUGMENTATIONS AND FEE INCREASE LEGISLATION – INFORMATIONAL ONLY

The Medical Board of California acts as the regulatory body for certain health-related professions and occupations, ensuring adherence to standards of practice and conduct. It is vested with the authority to grant licenses and to investigate violations of professional standards. The Governor's budget proposes \$32.5 million to fund the Board, primarily from the Contingent Fund of the Medical Board of California.

#### BACKGROUND:

The Governor's budget proposes to augment the Medical Board by \$52,000 and one position to address workload demands in the Information Systems Branch, and by \$54,000 and one position to implement AB 103 (Figueroa, Alquist, Kuehl, and Napolitano) Chapter 359, Statutes of 1997, which expands public access to information on physicians.

#### COMMENTS:

Current legislation raises concerns over the capacity of the Medical Board to absorb further augmentations and to operate an effective enforcement program. Both AB 265 (Davis) and SB 1025 (Murray) would permit the Board to raise fees. AB 265 is sponsored by the Medical Board, and justifies its proposed fee increase on the need to expand its enforcement and investigative activities.

The subcommittee may ask whether the proposed augmentations (including a \$400,000 Finance Letter request to be heard on a later date) can be sustained with current funding sources. Also, it may desire to examine the status, need, and relevance of the pending legislation, as they relate to the Medical Board's stated purpose of improving the quality of medical services in California.