

# *SMART STATE MANAGEMENT*



## **LITTLE HOOVER COMMISSION REPORT TO THE LEGISLATURE**

**November 2010**



# Smart State Management

## Message from the Chair

Dear Governor and Legislators,

*It is my pleasure to share with you the work of the Little Hoover Commission as you embark on the 2010-2011 Legislative Session. We know that you have much to do in the coming weeks, but we encourage you to consider the recommendations the Commission has developed to improve program outcomes, increase value for taxpayer dollars and restore Californians' confidence in government.*

*Each year, the Commission makes recommendations to the Governor and Legislature for action in specific areas. Many have been adopted through legislation, executive order, or Governor's reorganization. But important work remains. This report identifies actions that could be taken in key areas to produce lasting results. Many of these reforms involve controversial policy areas, difficult choices, and the potential that improved results may not appear for years, but these actions are the right steps to take.*

*The Commission sees tremendous opportunities ahead for the next leaders of California. Please contact us for more information about any of the material presented in this report, as our members and staff stand ready to help you advance California government.*

Sincerely,



Daniel W. Hancock  
Chairman

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# Reforms for Smart Management

Changes in key areas could maximize resources

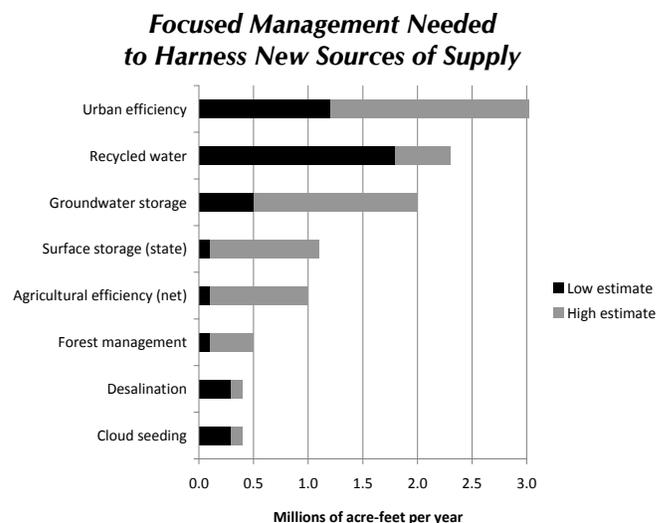
California is in the thick of unprecedented budget cuts and program reductions, with steep drops in revenue forcing the state to shrink the 2010-11 General Fund budget to \$86.6 billion, down from \$102.3 billion in 2007-08. The state must use its reduced resources wisely if it is to meet its countless obligations to the people of California. Yet amid the budget talks, there has been no public discussion of priorities or goals or how the state must fundamentally change the way it does business if it wants to continue to deliver important services with fewer dollars. As a new administration and new lawmakers take office, the time is ripe for such a discussion, time to peel back the layers of legal and administrative requirements on programs that have built up over the years. It is time, too, for fixing state systems that have become difficult and costly to manage, frustrating to navigate by consumers, and focused not on performance but on compliance with an ever-growing list of requirements and regulations.

The Little Hoover Commission identifies opportunities where government structure, management, or policy can be redesigned or reengineered to improve performance. Each year, the Commission issues recommendations to the Governor and Legislature for action in specific areas. Many involve controversial policy areas, choices that may not be easy to make, and results that often take time to emerge, but these actions have produced important improvements for California.

Of the Commission's recommendations over the last decade, the following issues rise to the top as the most strategic measures that the Governor and Legislature can take now to make important and long-lasting improvements in California government and position the state and its people for the challenges ahead. More detail about each of the actions suggested below can be found in the full report cited or by contacting the Commission.

## Water Management Modernization

California's water governance structure was built for a different purpose in a different time. California cannot hope to meaningfully address its supply and environmental challenges it faces unless it has a way to comprehensively manage its existing water resources and plan for a future in which the state can thrive while using less. California would benefit from a water agency with the sole mission of managing and planning for that future. At the same time, the state needs to ensure that the State Water Project, which supplies drinking water to 23 million Californians from the Bay Area to San Diego as well as farms, functions at its highest level of efficiency. These two functions often conflict within the Department of Water Resources, an entity established more than five decades ago to build the project, but not to run it.



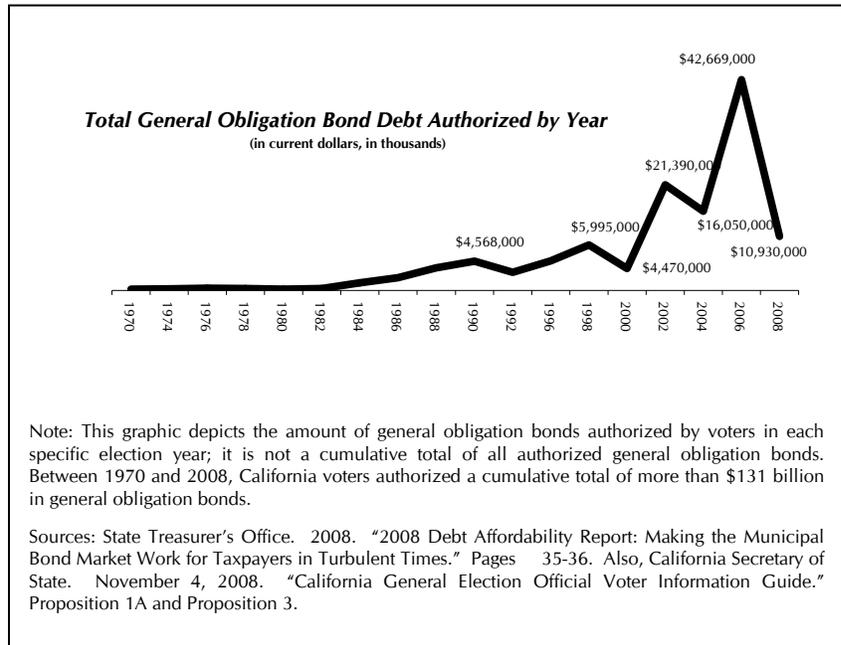
Source: California Department of Water Resources. 2010. Bulletin 160-09.

It is time to rethink the role of the project as an enterprise, and provide it the flexibility it needs to ensure reliability for contractors as well as the state as a whole, given the project's importance to California's economy and quality of life. The Commission recommends moving the project into a publicly owned authority under an independent board of directors selected by the Governor, and forming a new Department of Water Management that would include the Division of Water Rights to create an integrated, comprehensive approach to water management, water planning and water rights administration. (*Managing for Change, Modernizing California's Water Governance*, August 2010).

## Better Infrastructure Planning and Financing

The water project is hardly California's only infrastructure concern. Thousands of miles of freeway, critical to moving people and goods, as well as schools and prisons, designed for a smaller population, simply are wearing out. An estimated \$500 billion is needed to update California's infrastructure, and with the state's population only expected to grow, California needs a comprehensive plan for modernizing its existing physical assets to deliver services and move people, goods, energy, water and information, and do it in an environmentally sustainable way. California must move beyond its reliance on general obligation bonds and the expectation that the state will pay for it all.

Integrating infrastructure planning – and financing – into the existing activities of the recently created Strategic Growth Council would improve coordination and link sustainability and infrastructure planning. Greater use of demand management can help the state avoid costs of new infrastructure by using incentives such as congestion pricing to encourage Californians to be smarter in how they use the state's physical assets, rather than building more freeway lanes to reduce commute traffic. The state cannot afford to borrow enough through general obligation bonds to meet California's future infrastructure needs. State leaders should consider expanding the use of public-private partnerships where they make sense and are a valuable investment for Californians. (*Building California: Infrastructure Choices and Strategy*, January 2010).



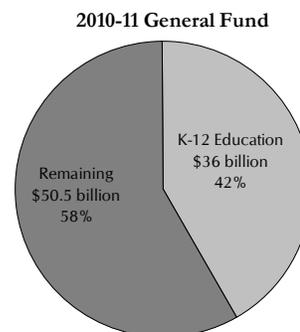
## Enhanced Bond Oversight

Since 2006, voters have authorized \$54 billion in new borrowing capacity bringing the total approved since 1970 to \$131 billion. Most agree this recent cash infusion is an initial down-payment toward long-neglected infrastructure improvements. As a result, however, debt service on bonds is one of the fastest growing segments of General Fund expenditures. It is critical that bond money be effectively managed to ensure that funds are spent wisely and as voters intended.

Governor Schwarzenegger took an important first step in expanding bond oversight in requiring departments to post bond activity and financial information online for the public, but more must be done to make this information readily accessible and user friendly. Bond spending on natural resources is especially in need of greater planning and accountability. The next administration can improve taxpayer confidence in the state's use of borrowed money and ensure increased value for that debt by taking specific actions to enhance bond oversight. One way the Governor could do this is to charge the newly revived California Water Commission with prioritizing and overseeing all resource-related bonds (*Spending: Expanding and Enhancing Oversight*, June 2009 and *Managing for Change, Modernizing California's Water Governance*, August 2010).

## Refocused Education System

More than 40 percent of California's General Fund budget is spent on education. Yet California students lag the nation on test scores, and dropout rates in urban districts are among the highest in the nation. California must focus on accountability measures that translate into improvements in student proficiency. To accomplish this, the state must align state and federal accountability measures and resolve the current situation of competing yardsticks. The state also must continue to provide districts the flexibility to offer a range of education models, including schools that focus on career technical education that is academically rigorous and charter schools that provide innovative models for reaching students, particularly those who have not



been successful in traditional public schools. Policy-makers should take steps to eliminate the artificial barriers that prevent successful charter school models from expanding by establishing an independent statewide charter authorization board. (*Educational Governance & Accountability: Taking the Next Step*, May 2008 and *Career Technical Education: Creating Options for High School Success*, May 2007; *Smarter Choices, Better Education: Improving California Charter Schools*, November 2010).

## Public Safety Leadership and Strategy

Despite decades of recommendations from this Commission and others, California's correctional system remains in a tailspin that threatens public safety and raises the risk of fiscal disaster. It needs an overhaul. Prisons are packed beyond capacity. California has the highest recidivism rate in the nation. The budget for corrections has doubled in the past decade. Inmate health care in California is under federal court control. Other court rulings have forced the Governor and Legislature to consider the early release of prisoners.

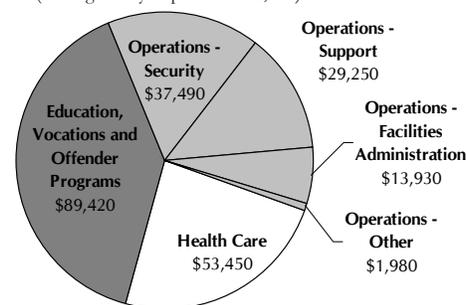
Leadership and oversight are vital to improving California's correctional system. Although most experts agree on the solutions, the political will has been lacking. California needs a comprehensive strategy to reduce prison overcrowding and improve public safety in California communities. The state must continue to rethink its relationship with local law enforcement and build upon recent successful legislation that turns more responsibility – and resources – over to communities.

**Adult Corrections.** The Schwarzenegger administration reorganized the state correctional organization and added the word rehabilitation to the department name. But few of the 168,000 offenders in prison have the opportunity to participate in programs that most experts agree will lead to successful re-entry and reduced crime in California communities, and the few programs that did exist have been reduced instead of expanded. The corrections department cannot solve this problem alone. The state should establish an inter-agency task force to develop partnerships with other departments that currently or potentially could assist

offenders in successful re-entry. Although the state has begun to implement long overdue parole reforms, it must ensure that offenders' risks and needs are assessed adequately and that offenders are connected with community-based programs and services. The state also must make a concerted effort to make sense out of its more than 1,000 sentencing laws, but it needs leadership at the top to establish this as a priority. To best accomplish this, California should establish an independent sentencing commission to develop guidelines for coherent and equitable sentences and to ensure that public resources are used wisely. (*Solving California's Corrections Crisis: Time is Running Out*, January 2007).

**Juvenile Justice.** Since 2004, the state has been under a consent decree with the courts to provide a minimum level of safety, service and programs for wards under its care. In 2007, legislation was enacted to shift responsibility for all but the most serious youth offenders to counties, which already supervise the vast majority of incarcerated youth in California. Given the state spends roughly \$252,000 annually for each of the 1,400 youth left in the state system and has yet to meet the requirements of the consent decree, the state should get out of the business of housing youth offenders and shift supervision and the required resources to the counties. The state should shrink its bureaucracy by eliminating the Juvenile Justice Division from the Department of Corrections and Rehabilitation and replace it with a Governor's Office of Juvenile Justice with a small staff to provide leadership, technical assistance, and oversight of funding going to the counties. The savings should be used to assist counties in offering evidence-based programs and services for youth offenders. (*Juvenile Justice Reform: Realigning Responsibilities*, July 2008).

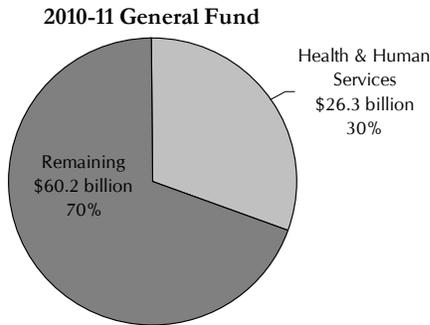
**Annual Costs Per Juvenile Offender Housed in a State Facility 2007-08**  
**Total Cost: \$252,000 Per Offender**  
 (Average Daily Population = 2,294)



**Female Offenders.** Women offenders represent less than 8 percent of the state's overall prison population and serve their time in a system designed for violent male offenders. California made a significant investment in developing gender-responsive programs for female offenders after the Commission recommended the state develop a coherent strategy to hold female offenders accountable for their crimes and improve their ability to successfully reintegrate into their communities. Successful reintegration translates into reduced crime and reduced social service costs in the long run. Recent budget cuts have drastically reduced programs, diminishing the investment. The California Department of Corrections and Rehabilitation must re-focus its efforts and continue to implement the Master Plan for Female Offenders. Part of this strategy should be the successful implementation of legislation enacted in 2010 to expand local corrections alternatives for female offenders. (*Breaking the Barriers for Women on Parole*, December 2004).

## Redesigned Health and Human Services Agency

Over the years, piecemeal, state-level attempts to address health and social needs have created layers of bureaucracy within California's Health and Human Services Agency, which accounts for 30 percent of the state's General Fund. The state health and social service sector is tangled with pilot projects, scores of different contracts with counties, non-profit organizations and other providers, siloed funding streams, financial and operational incentives that do not line up, and a focus on complying with state or federal requirements rather than improving outcomes. Often, similar responsibilities are scattered across multiple departments within the agency; health-related facility licensing, for example, is conducted in five separate departments. Some services, such as services for aging and substance abuse treatment, should be part of



broader strategies, but are isolated in small departments. Evidence shows that substance abuse treatment is cost effective; it also is central to developing comprehensive solutions and avoiding costs in other health and human service programs, whether mental health, foster care or Medi-Cal, as well as programs outside the agency, such as the Department of Corrections and Rehabilitation.

Given demographic and political trends, the health and human service system will be expected to do more for more Californians in the future. To begin reforming the system, a strong leadership team must be created to set

clear statewide goals for social and health care in the state. Clarifying roles of state and local agencies and simplifying the system are essential to improving performance and accountability. The state agency's role should be to streamline requirements and define quality standards, gather and disseminate information on best practices, advocate for California's concerns with the federal government, and help state and community policy-makers to provide research-based policies, budgets and accountability. Administrative and support functions – such as fiscal operations and data management – should be consolidated strategically into service centers in order to reduce expenditures and organize the agency's operations to support state and local activities. More state time then could be devoted to helping counties enhance their systems of care through adequate funding, increased flexibility, and heightened autonomy and accountability. Counties should be given the authority to competently provide the services they are responsible for administering.

State leaders should shift state-level energy and resources from compliance and oversight activities toward measuring progress toward goals, determining the effectiveness of programs, and responding to weak performance at the local level. Better data systems, already in the works in some departments, will be critical to this effort, particularly for the agency's largest program, Medi-Cal. Developing a system to ensure the state directs health dollars to treatments that have been demonstrated to improve health outcomes is an important way to demonstrate value to taxpayers. (*Real Lives, Real Reforms: Improving Health and Human Services*, May 2004; *Addressing Addiction: Improving & Integrating California's Treatment System*, March 2008; *A Smarter Way to Care: Transforming Medi-Cal for the Future*, May 2007. The Commission anticipates releasing a report on long-term care services in 2011).

## A Strong Public Health Leader

The Commission has long advocated for structural reforms to strengthen public health as one of the core components of public safety, equal in priority to police and fire. Californians must be confident that their government is adequately prepared to respond to and protect against a complex range of threats, both natural and manmade. The department should be made independent, led by a surgeon general who reports directly to the Governor. The director of the public health department should – and must – speak forcefully to advocate for budget and policy priorities that reflect public health's critical public safety role and help make Californians healthier and safer. Today, too many Californians are getting sick, and some are dying, from largely preventable infections that they contract in California hospitals. The department must take immediate action to lead the state's efforts to eliminate these preventable diseases from California hospitals. With better oversight, the department could play a key role in helping hospitals save lives by preventing costly and unnecessary infections. (*First-Year Checkup: Strategies for a Stronger Public Health System*, January 2009).

# Making it Happen

Commission recommendations lead to important changes

Commission recommendations provide a foundation of information and guidance for changes that often need legislative, administrative, or stakeholder action to implement. Commission-suggested changes are rarely easy; many involve controversial policies, complex operations that must be reorganized, or a shift in thinking that may take years to develop. But, change happens. The following are areas where Commission recommendations became reality in recent years, and where California government has been changed for the better.

## Coordinated Economic Development

Given the scattered nature of economic development programs among various agencies, departments and associations, the Commission in early 2010 recommended creating a new, lean economic development unit within the Governor's Office to focus economic development functions and lead the state efforts in this area. (*Making Up for Lost Ground: Creating a Governor's Office of Economic Development*, February 2010).

Governor Schwarzenegger issued an executive order in April 2010 creating the Governor's Office of Economic Development, a one-stop shop to help businesses seek guidance, information, and resources they need to invest, succeed and expand in California. The office also aims to facilitate and stimulate economic growth through the development and implementation of strategic policies and partnerships with the private sector, as well as community, local, and national organizations that enhance human and capital infrastructure and California's competitive advantage in the global marketplace. (Executive Order S-05-10)

***“California is the best place in the world to do business, and by cutting red tape and streamlining functions, my Office of Economic Development will make the state an even better partner to the economy.”***

Governor Arnold Schwarzenegger

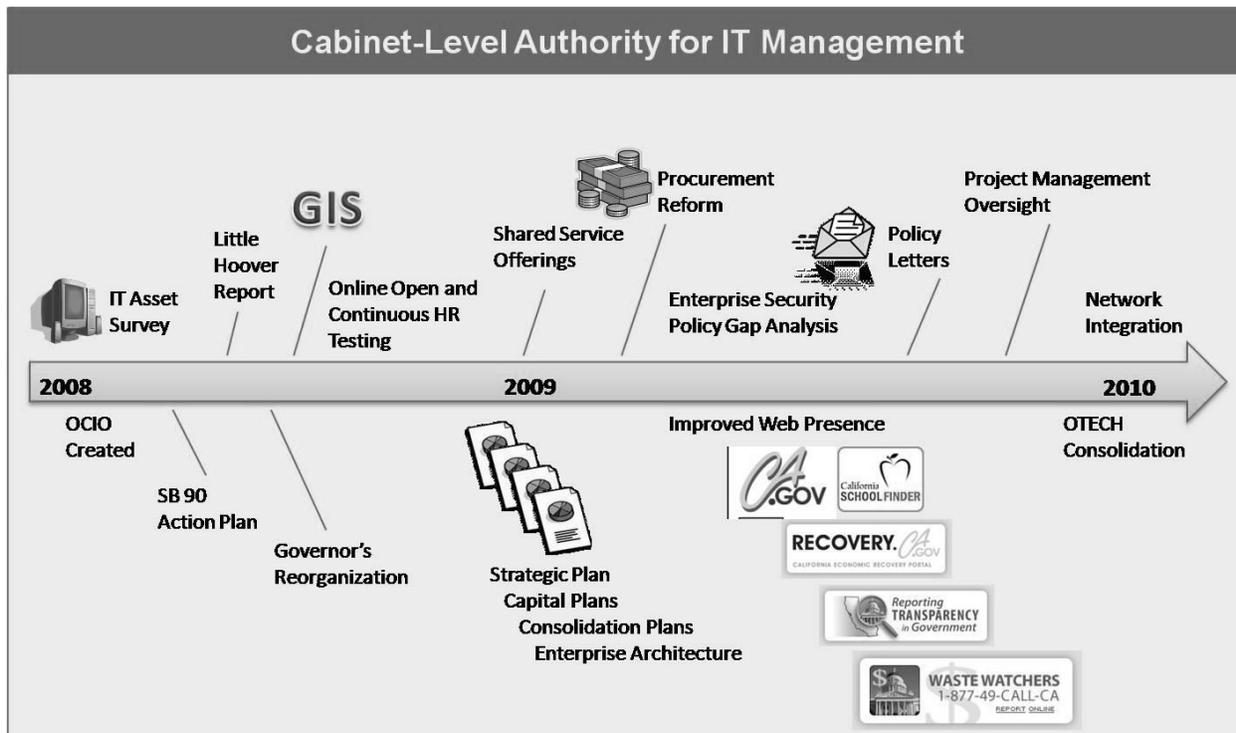
## Centralized Information Technology

To strengthen California's ability to deploy cutting-edge information technology to enhance accountability and improve performance in state government, the Commission recommended consolidating the state's technology assets and personnel under the State Chief Information Officer. (*A New Legacy System: Using Technology to Drive Performance*, November 2008).

As a result of the Commission's recommendations, Governor Schwarzenegger submitted a reorganization plan to the Commission and the Legislature in January 2010 proposing the following:

1. Integrate all or part of four agencies - the Office of the State Chief Information Officer, Office of Information Security and Privacy Protection, Department of Technology Services and the Department of General Services - Telecommunications Division - into an expanded Office of the Chief Information Officer.
2. Provide the State Chief Information Officer with authority for information technology procurement policy and enterprise information technology management.
3. Consolidate software contracts, office automation tools, data centers, computer rooms, servers, storage and networks over the course of five years.

The Commission supported the plan, which became effective in April 2010. The reorganization has saved \$16.4 million through more efficient data center operations and \$490 million more in cost savings and avoidances through the information technology capital and acquisitions planning processes. The Governor signed legislation in September 2010 that codifies the consolidation and renames the office as the California Technology Agency, led by the Secretary of California Technology instead of the State Chief Information Officer. (AB 2408 [Smyth], Chapter 404, Statutes of 2010). The office now is a permanent agency in California government. The flow chart below, taken from the January 15, 2010 California Information Technology Strategic Plan, describes the changes made to the state's information technology program since 2008.



## Appropriate Alternatives for Women Offenders

In *Breaking the Barriers for Women on Parole*, the Commission in 2004 urged the Governor and Legislature to reform the way the state incarcerates women offenders and supervises them on parole, by developing a robust system of community correctional facilities focused on rehabilitation. The Commission recommended the state 1) revise classification procedures to improve the way the Department of Corrections and Rehabilitation makes housing assignments for women offenders, 2) develop a continuum of incarceration options, 3) partner with communities to plan, develop and operate facilities focused on successful re-entry and 4) develop contracts for community correctional facilities to deliver the array of services shown to reduce recidivism.

Legislation passed in 2010 to allow the Secretary of the California Department of Corrections and Rehabilitation to assign certain individuals to alternative custody, including women and primary caregivers of dependent children who are non-violent offenders and have been determined to be at low-risk to re-offend. (SB 1266 [Liu], Chapter 644, Statutes of 2010).

## **Streamlined Emergency Management**

On the heels of Hurricane Katrina and the lessons learned from the ensuing response, the Commission urged the Governor and Legislature in 2006 to prioritize emergency preparedness in California and fortify the state's capacity to respond. The Commission recommended consolidating emergency services and homeland security functions into a cabinet-level Governor's office and identifying a clear chain-of-command to the Governor for catastrophic response. (*Safeguarding the Golden State: Preparing for Catastrophic Events*, April 2006).

The California Emergency Management Agency was formed in January 2009 by combining the functions of the Governor's Office of Emergency Services and the Office of Homeland Security via legislation in 2008. (AB 38 [Nava], Chapter 372, Statutes of 2008). The result is a streamlined cabinet-level agency responsible for designing and implementing homeland security initiatives, coordinating and supporting the emergency activities of all of California's state agencies that have an operational or day-to-day role in state emergencies, promoting and sustaining effective criminal justice programs, and ensuring the state's readiness is at its maximum potential to respond to and quickly recover from crises.

## **Independent Public Health Department**

To improve the effectiveness and voice of the state's public health system, the Commission in 2003, and again in 2005, highlighted the need to move the public health department out of the Department of Health Services where it was overshadowed by the massive Medi-Cal program. (*To Protect and Prevent: Rebuilding California's Public Health System*, April 2003; *Recommendations for Emergency Preparedness and Public Health*, June 2005).

The Public Health Act of 2006, passed by the Legislature and signed by the Governor, created a separate Department of Public Health under the direction of the state public health officer appointed by the Governor. The goals of the act were to elevate the visibility and importance of public health issues, increase accountability and program effectiveness, and enhance recruitment and training of health professionals. The new public health department within the Health and Human Services Agency became effective July 1, 2007. (SB 162 [Ortiz], Chapter 241, Statutes of 2006).

## **Leadership to Promote Youth Violence Prevention**

In a 2001 report, *Never Too Early, Never Too Late To Prevent Youth Crime & Violence*, the Commission recommended that the state create the organizational infrastructure to define goals, establish strategies and implement programs to make prevention the primary policy response to youth crime and violence. Specifically, the Commission recommended that the Governor appoint a Secretary for Youth Development and Violence Prevention with the authority and responsibility to advance a community-focused youth crime and violence prevention strategy.

In 2007, the Governor established the Governor's Office of Gang and Youth Violence Policy to provide statewide policy leadership and to administer various federal grants relative to juvenile justice including street gang crime prevention. The efforts of the office to encourage local law enforcement collaboration and fund evidence-based practices are showing promise. A grant to fund the nationally-acclaimed Operation Ceasefire has helped the City of Salinas reduce gang-related violence. In spring 2010, the number of shootings was half of what it was during the same time period in 2009 and homicides had decreased nearly 80 percent.

# Commission Charge

## What We Do

The Little Hoover Commission is tasked to examine state government operations and policy and make recommendations to the Governor and the Legislature to promote efficiency, economy and improved service in the way the state operates.

### Commission Role

The Commission has broad and independent authority to evaluate the structure, organization, operation and functions of every department, agency and instrumentality in the executive branch of state government along with the policies and methods for appropriating or administering public funds. Unlike fiscal or performance audits, Commission studies look beyond whether programs and activities comply with existing requirements, instead exploring how programs and activities could and should function in today's world. The Commission selects its own studies but may consider requests from the Governor, members of the Legislature and the general public.

### Open Study Process

Once the Commission selects a project, staff conducts in-depth research and consults top experts, academic and research organizations, and current and former state and federal officials. For each study, many dozens of experts donate hundreds of hours of time to assist with our research efforts. The Commission leverages the expertise of Commission members, who are business, management and policy experts themselves, and engages outside experts in interviews, meetings and site visits, and public hearings to gather information and create a forum for dialogue, collaboration and the exploration of ideas. The Commission seeks out successful leaders and model programs within California, across the country, and around the world for ideas and best practices. A list of the experts who participated in a particular study can be found on our Web site as well as in an appendix of each report.

### Recommendations for Improvement

In conducting its work, the Commission focuses on how the state may 1) reduce expenditures without sacrificing services, 2) eliminate duplication or wasteful practices, 3) consolidate services, or 4) abolish, create, or reorganize government organizations to better meet the needs of the state and its citizens. Once the Commission has fully explored the study field and engaged in a public process to receive input from stakeholders and interested people, the Commission releases a final report with recommendations for the Governor and Legislature. The Commission has issued hundreds of recommendations on topics such as education; energy, environment and resources; health and human services; infrastructure; public safety; and areas of general government such as spending, bond oversight, economic development and information technology.

### Governor's Reorganization Process

The Commission is a key player in any Governor's reorganization plan submitted to the Legislature and is statutorily required to provide feedback on the reorganization plan within 30 days of submission. The Commission gathers information, solicits input from experts and assesses the plan in terms of whether it promotes economy, efficiency and improved public service. The Commission then issues a recommendation to the Governor and the Legislature as to whether the reorganization should go into effect and what additional actions might strengthen implementation. Since 1968, every Governor has submitted at least one reorganization plan for a total of 34 submissions; 21 plans have taken effect.

The Commission welcomes the opportunity to work with the Governor, legislators and staff to discuss policy or organizational options, past or potential reforms, and legislation. We can offer official support for legislation that implements our recommendations. All of the Commission's reports are listed on our Website and can be downloaded from the Web or picked up at our office across from the State Capitol.

# Commission Reports

A recap of our work in 2009 - 2010

**First Year Checkup: Strategies for a Stronger Public Health System.** The Commission recognized the challenges in establishing a separate public health department and advisory committee and called for stronger and more independent public health leadership. The Commission recommended placing the public health department directly beneath the governor and empowering the public health board with more independence to provide oversight and guidance to health department leaders. *January 2009.*

**Clearer Structure, Cleaner Water: Improving Performance and Outcomes at the State Water Boards.** Coordination is lacking among the State Water Resources Control Board and the nine Regional Water Quality Control Boards. The Commission suggested strengthening ties among the boards, improving data and analyses, and taking a broader, more regional approach to addressing quality problems. *January 2009.*

**Bond Spending: Expanding and Enhancing Oversight.** California voters approve bond measure after bond measure, yet not enough is done to ensure effective fund management and allocation. This report called for more transparency in bond spending, expanding oversight by the Legislature and independent auditors, and tasking the California Water Commission with oversight of resource-related bonds. It called for more clarity for voters on bond measures and bolstering local bond oversight committees. *June 2009.*

**Stem Cell Research: Strengthening Governance to Further the Voters' Mandate.** Despite its work toward finding cures through stem cell research grants, the California Institute for Regenerative Medicine's governing board is vulnerable to perceptions of self-interest and lacks a plan for leadership beyond today's board structure. The Commission recommended changes to its board makeup, oversight and processes for more efficiency and transparency. *June 2009.*

**Building California: Infrastructure Choices and Strategy.** Californians cannot continue to rely on bonds for financing infrastructure development and instead must create a long-term vision and process for prioritizing projects and coordinating cross-sector goals and activities. The Commission suggested tapping the Strategic Growth Council as a forum for planning and highlighted the need to incorporate smart demand management practices and public-private partnerships where valuable. *January 2010.*

**Making up for Lost Ground: Creating a Governor's Office of Economic Development.** To streamline economic development organizations and activities, this study recommended creating a Governor's Office of Economic Development to lead economic and business development in California. The new office would house a policy division and action teams and would hold seats on key organizations. *February 2010.*

**Managing for Change: Modernizing California's Water Governance.** Times are changing, but California's water supply system has not. As demands on our state's water supply change, this report called upon leaders to move the State Water Project out of the Department of Water Resources and under the jurisdiction of a new organization, and reorganize statewide water management duties for a more comprehensive, forward-looking approach. *August 2010.*

**Smarter Choices, Better Education: Improving California Charter Schools.** California's dysfunctional charter school authorization process thwarts efforts to expand successful charter school models and innovative approaches to education and makes it difficult to close consistently poor-performing charter schools. This report called for establishing an independent statewide board of charter schools and expanding methods of holding schools accountable through performance contracts. *November 2010.*

# Little Hoover Commission

## Who We Are

The Little Hoover Commission is an independent panel of professionals from a variety of public and private sector settings, including business, law, policy, management, government and non-profit organizations. The Commission is composed of thirteen members: five are appointed by the Governor, two by the Senate Committee on Rules and two by the Speaker of the Assembly. The remaining four members are State Legislators, two from each party and each house.



**Daniel W. Hancock** (D), originally appointed in 1997 by Assembly Speaker Cruz Bustamante, is a retired president of Shapell Industries of Northern California and is former director and president of the Southern Division Building Industry Association.



**Eugene "Mitch" Mitchell** (R), originally appointed in 2004 by Governor Schwarzenegger, is regional vice president of external affairs for San Diego Gas & Electric Co. He was vice president of communications and public policy for the San Diego Regional Chamber of Commerce and assistant director of government relations for former San Diego Mayor Susan Golding.



**Eloise Anderson** (R), appointed in 2006 by Governor Schwarzenegger, is president of Anderson Resource Management Services and a lecturer at California State University, Sacramento. She previously was director of the Project for the American Family at the Claremont Institute and director of the California Department of Social Services.



**Senator Roy Ashburn** (R-Bakersfield), appointed in 2009 by the Senate Rules Committee, was elected in November 2002. Previously, he was a Kern County supervisor and a state Assemblymember. His legislative priorities include economic development, reforming welfare, reducing crime and local government issues.



**Marilyn Brewer** (R), appointed in 2006 by Governor Schwarzenegger, served in the state Assembly and was on the Orange County Transportation Authority. She also was an executive assistant to Orange County Supervisor Thomas F. Riley and co-founded C. Brewer Company, where she worked for nearly 20 years.



**Senator Dean Florez** (D-Shafter), appointed in 2007 by the Senate Rules Committee, was elected in November 2002. His professional training is in municipal finance. Among his legislative issues are clean air, equality in education, high-speed rail, government accountability and infrastructure financing and development.



**Marshall Geller** (DTS), appointed in 2008 by Assembly Speaker Fabian Núñez, is senior managing director of St. Cloud Capital and director of many public companies, including 1st Century Bank, ValueVision Media Inc. and GP Strategies Corporation. Previously, he was chairman and CEO of Geller & Friend Capital Partners and senior managing director for Bear, Stearns & Company.

### Former Commissioners Who Served in 2009-2010

**Ryan Brooks** (D)

Served from 2007 to 2010.

**Assemblymember Pedro Nava** (D)

Served from 2005 to 2010.



**Martin F. Helmke** (D), appointed in 2007 by the Senate Rules Committee, was chief consultant to the California Senate Revenue and Taxation Committee for nearly 20 years. He has been a principal economist with the

California Senate Office of Research and a staff analyst with the Department of Finance. He is a member of the National Tax Association.



**Assembly Member Alyson Huber** (D-El Dorado Hills), appointed in 2010 by Assembly Speaker John Pérez, was elected in November 2008. Previously, she was a business litigator. Among her legislative priorities are government reform, protecting the Sacramento-San

Joaquin River

Delta and public safety.



**Loren Kaye** (R), appointed by Governor Schwarzenegger in 2006, is president of the California Foundation for Commerce and Education. He served in senior policy positions for Governors Wilson and Deukmejian, including cabinet

secretary to the Governor and undersecretary of the California Trade and Commerce Agency. He also has represented numerous private sector interests.

### Origin of the Little Hoover Commission

The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency created in 1962. The Commission's mission is to examine state government operations and promote efficiency, economy and improved service. The Little Hoover Commission was modeled after the federal Commission on Organization of the Executive Branch of the Government, nicknamed the Hoover Commission after its first chairman, former president Herbert Hoover.

### Commission Staff

<b>Stuart Drown</b> Executive Director	<b>Carole D'Elia</b> Deputy Exec. Director
<b>Whitney Barazoto</b> Project Manager	<b>Tamar Foster</b> Project Manager
<b>Eric Stern</b> Project Manager	<b>Beth Curda</b> Research Analyst
<b>Kyle Harris</b> Research Analyst	<b>Sherry McAlister</b> Office Technician



**David Schwarz** (R), appointed by Governor Schwarzenegger in 2007, is a partner in the Los Angeles office of Irell & Manella, LLP. He served as a U.S. delegate to the United Nations Human Rights Commission. Previously, he was a special

assistant to the staff director of the U.S. Commission on Civil Rights and special assistant to the U.S. permanent representative to the European Office of the United Nations.



**Jonathan Shapiro** (D), appointed in 2010 by the Senate Rules Committee, is a writer and producer for NBC, HBO and Warner Brothers. He previously was chief of staff to Lt. Governor Cruz Bustamante and was a federal prosecutor for the U.S.

Department of Justice Criminal Division. He was appointed by California Chief Justice Ronald George to the Commission for Impartial Courts, Task Force on Public Information and Education.



**Assembly Member Audra Strickland** (R-Moorpark), appointed in 2005 by Assembly Speaker Fabian Núñez, was elected in November 2004. Previously, she taught junior high American history and language arts. Her key

legislative issues include the economy, tax relief for families, public safety and improving education.

