



-The intense competition for drug program funding adversely affects the coordination of drug programs.

-Considerable barriers exist which hinder the coordination of drug program funding.

The Commission recommended that the Governor and legislature:

-Establish a master plan for addressing drug abuse in California to encourage cooperation and coordination among all the players and to identify how programs and services should be delivered to meet the state's goals and priorities. The Governor's Policy Council on Drug and Alcohol Abuse should be involved in the process.

-Adopt a flat-rate annual incentive payment (up to \$50,000) to be offered to those counties which assign coordination responsibility of all drug program funding to the county drug program administrator.

-Study the feasibility of establishing a computerized management information system to provide up-to-date information to participating agencies on funding, drug-related research, and legislation and regulations.

-Require the California State Library Foundation to publish a drug program supplement to the "Catalog of California State Grant Assistance" which would include all sources (federal, state, and private) of funds available for drug programs.

The Commission made the following related recommendations:

-The Governor's Policy Council on Drug and Alcohol Abuse should include in its October 1, 1988 report to the Governor standardized definitions of drug abuse prevention, treatment, and enforcement programs and services to be adopted by all agency participants.

-The Department of Alcohol and Drug Programs should prepare standardized data collection forms for use by all state-funded programs. Information so collected should be used to develop baseline data on a variety of indicators, then compiled into annual reports to enable the Governor and the legislature to assess the impact of the allocated funds.

-An annual conference should be co-sponsored by the Departments of Alcohol and Drug Programs, Education, and Justice, and the Office of Criminal Justice Planning for the presentation of findings from recent research on the problem of drug abuse.

-The community action "Challenge to Prevent Youth Drug Abuse" seminars should be continued and sponsored by

the Attorney General's Office.

LEGISLATION:

The following is an update of the legislation reported in CRLR Vol. 8, No. 3 (Summer 1988) at page 39, relating to state services for children and youth (see also CRLR Vol. 8, No. 1 (Winter 1988) pp. 37-38 for extensive background information):

SB 722 (Hart, Morgan, Seymour), which provides tax credits to employers who establish a child care program or construct a child care facility to be used primarily by the children of the taxpayer's employees, was signed by the Governor (Chapter 1239, Statutes of 1988).

AB 3358 (Roos, Hayden), which would have required every redevelopment plan adopted or amended pursuant to the provisions of the Community Redevelopment Law on or after January 1, 1989, to make adequate provision for specified child care facilities, was vetoed on September 30.

AB 1763 (Wright) died in the Senate Committee on Revenue and Taxation; *AB 2736 (Hansen, Leslie)* failed passage in the Assembly Ways and Means Committee, but Assemblymember Hansen intends to reintroduce the bill; *AB 2745 (Friedman, Cortese)* passed the Assembly on June 9, 1988, and *AB 3145* and *AB 3149 (Cortese)* passed the Assembly on June 28, but all three died in the Senate; *AB 3357 (Roos)* died in the Assembly Committee on Local Government; and *AB 4645 (Bronzan)* was dropped by its author.

DEPARTMENT OF CONSUMER AFFAIRS

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In addition to its functions relating to its forty boards, bureaus and commissions, the Department of Consumer Affairs (DCA) is charged with the responsibility of carrying out the provisions of the Consumer Affairs Act of 1970. In this regard, the Department educates consumers, assists them in complaint mediation, advocates their interests in the legislature, and represents them before the state's administrative agencies and courts.

MAJOR PROJECTS:

Small Claims Court Support Program. In conjunction with the Department's ongoing function to act as a legal resource on small claims court proced-

ures (see CRLR Vol. 8, No. 3 (Summer 1988) pp. 39-40), two new consumer publications are available free of charge. *Small Claims Court Plaintiff's Booklet* and *Small Claims Court Defendant's Booklet* are available upon request to the DCA. A third publication, *Collecting Your Small Claims Judgment*, will be available later this year.

Dispute Resolution Program. This DCA-sponsored program consists of a network of informal and affordable county-based mediation centers throughout the state, based on the idea that an impartial mediator can often help adversaries reach a mutually satisfactory settlement. It is hoped that the program will defuse many disagreements which might otherwise end up in an already crowded state court system. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 33 for background information.)

The Dispute Resolution Advisory Council met in June to determine the program's funding and develop its organizational guidelines. At this writing, the Council is filing a package with the Office of Administrative Law (OAL) through the APA's formal regulatory process in order to implement the guidelines and regulations developed by the Council to operate the local programs. A public hearing is scheduled for December 2 at the State Capitol in Sacramento.

At the present time, eleven counties are participating in the program. Council staff have observed the operation of dispute resolution programs in Hawaii and China to obtain insight in making the California program a success.

DCA Purchasing Authority Restored. On May 24, the *Sacramento Bee* reported complaints about "sloppy handling of contracts" by DCA in soliciting bids for data processing equipment and services. A memorandum issued by the state Department of General Services recommended that DCA should not be allowed to solicit bids until a complete review was performed.

The General Services action restricting the authority of DCA to solicit bids affected the purchasing for boards and bureaus within DCA, as well as disrupting the departmental bid process. DCA Director Michael Kelley appealed the General Services action, which he characterized as "far out of proportion to the problem," according to the *Bee*.

Recently, General Services completed its audit and review of DCA purchasing authority. General Services staff reports that DCA has taken action to correct irregularities found during the audit, and General Services has reinstated



INTERNAL GOVERNMENT REVIEW OF AGENCIES

DCA's purchasing authority.

LEGISLATION:

AB 1405 (Frazee) became law on June 15 (Chapter 173, Statutes of 1988). This law amends section 17538 of the Business and Professions Code relating to consumer affairs. Previous law made it a misdemeanor for anyone conducting sales or leases of goods through the mail or by phone who fails to either deliver the goods, make a refund, or deliver substitute goods or services of equivalent quality.

Further, the law required that upon providing substitute goods, the consumer must be notified of his/her right to reject the substitute goods and to obtain a full refund, and a description of how the substitute goods differ from the original order. The new law provides that a vendor may omit a description of how substitute goods or services differ from the ordered goods in the required notice if certain conditions are met. The bill took effect immediately as an urgency statute.

AB 4570 (Duplissee) was also signed by the Governor (Chapter 581, Statutes of 1988). This new law requires service contracts sold on a home appliance or home electronic product to meet the requirements already specified for automobile service contracts in the Song-Beverly Consumer Warranty Act. The purpose of the law is to provide consumers with information so they can make an informed decision before purchasing a service contract, and a means to cancel the service contract after purchase. It requires service contracts to include specific disclosures, permitting cancellation by the consumer; it also requires that a copy of the contract be available for inspection prior to purchase and delivered to the buyer within sixty days after purchase.

SB 2224 (Beverly) clarifies the Dispute Resolution Programs Act by specifying that parties to any dispute resolution, arbitration, or conciliation proceeding may assert the privileges offered by Evidence Code section 1152.5. This bill was signed by the Governor (Chapter 188, Statutes of 1988).

AB 4015 (Connelly) would have required the DCA to promulgate regulations and certification standards for private conservators. It would also have required the Director of the DCA to appoint a Conservatorship Advisory Task Force. This bill was vetoed by the Governor on September 29.

SB 2054 (Davis) requires a security guard or patrolperson to file a written

report with the DCA and local police or sheriff's department within seven days after any incident in which a firearm is discharged while the guard was on duty. This bill was signed by the Governor on September 20 (Chapter 1019, Statutes of 1988).

ACR 117 (Bane), directing the DCA to conduct a public information program regarding existing law requiring physicians to provide written disclosure to their patients of any significant beneficial interest in an organization to which the patient is referred, was approved.

AB 4007 (Lancaster), which revises numerous existing sections of the Business and Professions Code relating to the Bureau of Personnel Services and the Bureau of Home Furnishings and Thermal Insulation, was signed on September 28 (Chapter 1448, Statutes of 1988).

SB 1157 (Davis), which allows the imposition of double the usual civil penalty when acts of unfair competition are perpetrated against senior citizens, was signed by the Governor (Chapter 823, Statutes of 1988).

AB 1177 (Floyd), which would have shifted all line responsibilities and memberships on commissions and boards formally within the state's "Super Agencies" to the respective departments under the Agencies, died after the Assembly refused to concur in Senate amendments.

AB 1913 (Harris) became law (Chapter 481, Statutes of 1988). This law raises to \$10,000 the monetary jurisdiction of small claims courts for money damages actions which involve personal injury or property damage. Limits for all other actions are raised from \$1,500 to \$2,500.

LITIGATION:

Crouchman v. Santa Cruz County Superior Court. DCA staff filed an amicus brief with the California Supreme Court in December 1987 in the *Crouchman* case, which challenged the exclusion of jury trials from small claims court appeals. On July 5, the Supreme Court in an unanimous opinion ruled in favor of the Department's position that jury trials are unwarranted. DCA staff argued, among other things, that if a jury trial were available, a losing defendant could use the threat of an appeal to force the plaintiff to abandon a claim or settle for losses. Currently, a winning party could use the threat of a jury trial to prevent an appeal by the losing party.

The DCA won a summary judgment on July 15 in *People v. Dixon*, a mail order fraud case. Defendants, a group

of businesses in Palo Alto purporting to sell computer software, never sent consumers goods that were ordered through the mail. DCA challenged their actions as unfair business practices and alleged over 338 violations of the California and federal mail order rules. The final judgment ordered defendants to pay \$219,000 in civil penalties.

Board of Cosmetology (BOC) and Denise Ostton v. Michael Kelley, No. 358630 (Sacramento Superior Court), concerning DCA Director Michael Kelley's failure to either approve or disapprove BOC's August 1987 appointment of Denise Ostton as the Board's Executive Officer, has been settled. (See CRLR Vol. 8, No. 3 (Summer 1988) p. 40 for more information on this suit.)

ASSEMBLY OFFICE OF RESEARCH

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Established in 1966, the Assembly Office of Research (AOR) brings together legislators, scholars, research experts and interested parties from within and outside the legislature to conduct extensive studies regarding problems facing the state.

Under the direction of the Assembly's bipartisan Committee on Policy Research, AOR investigates current state issues and publishes reports which include long-term policy recommendations. Such investigative projects often result in legislative action, usually in the form of bills.

AOR also processes research requests from Assemblymembers. Results of these short-term research projects are confidential unless the requesting legislators authorize their release.

MAJOR PROJECTS:

"No Such Listing": Consumer Access To The Board of Medical Quality Assurance (July 1988) is an assessment of the Board's public presence as a consumer protection agency. The study was requested by Assemblymember Jackie Speier.

The Board of Medical Quality Assurance (BMQA), under the Department of Consumer Affairs (DCA), is divided into three autonomous divisions. The Division of Licensing licenses physicians and surgeons; the Division of Allied Health Professions regulates non-physician health professions; and the Division of Medical Quality investigates complaints lodged against physicians and