

Date of Hearing: April 26, 2017

ASSEMBLY COMMITTEE ON ACCOUNTABILITY AND ADMINISTRATIVE REVIEW
Susan Talamantes Eggman, Chair
AB 32 (Rodriguez) – As Introduced December 5, 2016

SUBJECT: California State Auditor

SUMMARY: Sets a recruitment process for California State Auditor (State Auditor) candidates. Specifically, **this bill:**

- 1) Requires the Joint Legislative Audit Committee (JLAC) to conduct a comprehensive search for qualified candidates.
- 2) Sets notice and advertising requirements for the State Auditor position.
- 3) Allows entities and individuals to submit candidates' names to JLAC.

EXISTING LAW:

- 1) Specifies that the Governor shall appoint the State Auditor from a list of three qualified individuals nominated by JLAC.
- 2) Specifies that the nomination of the three individuals requires a vote of at least a majority of JLAC members from each house of the Legislature.
- 3) Sets a four-year term for the State Auditor position.
- 4) Specifies that the State Auditor should be chosen without reference to party affiliation and solely on the ground of fitness to perform the duties of the office.

FISCAL EFFECT: Unknown, this bill is keyed non-fiscal by the Legislative Counsel.

COMMENTS: This bill requires JLAC, when nominating candidates for State Auditor, to conduct a comprehensive search. It specifies that JLAC must provide at least 120 days' notice when seeking applicants by announcing the opportunity in the journals of the Assembly and Senate, and advertising in appropriate newspapers and with nationally acknowledged professional journals and associations. Additionally, it allows members of the Legislature, professional organizations, other entities, and individuals to submit names for consideration to JLAC.

While existing law references JLAC nominating "three qualified individuals" for the Governor's consideration, it does not specify how the individuals should be chosen. According to the author, that direction is needed in light of how the nomination process has occurred in past years.

Previously, the State Auditor's Office has submitted the names of three individuals to JLAC and committee members have voted to nominate those candidates. Since this or other practices are not explicitly required by existing law, the process can be changed at the discretion of JLAC. In fact, while the author was Chair of JLAC last year, the committee advertised for the State Auditor position and interviewed potential candidates.

The author explains that future nominations should be conducted openly. "Current law does not specify a nomination procedure for the California State Auditor. This measure provides clear instruction to the Joint Legislative Audit Committee on how to seek qualified candidates for the position, bringing clarity and integrity to the process," he states.

Different states have different processes for selecting state auditors or the equivalent positions. Some state auditors are elected by popular vote while others are appointed, often by an audit committee of the legislature or the full legislature. Terms for the position generally vary between four and 10 years. However, many states have auditors with no set terms. Instead, they serve at the pleasure of the audit committee or the Legislature and can often be removed by a majority vote.

While the eligibility requirements like education, experience, or professional certifications are often set in state statutes, the selection of potential nominees is generally left to the discretion of the audit committee. A review of states with the greatest populations found that statutes did not usually specify how legislative bodies should conduct state auditor recruitments. The one exception, Illinois, includes some statutory requirements with limited guidance by stating that its joint legislative audit commission "shall diligently search out qualified candidates."

Should this bill move forward, the author may want to consider if the recruitment process as specified in this bill should be used when a current State Auditor is in office or only when the position becomes vacant. Additionally, the author may want to review other areas surrounding the appointment, including the appropriateness of the term length and method that requires JLAC to submit three names to the Governor.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

Analysis Prepared by: Scott Herbstman / A. & A.R. /