

# California Victim Compensation and Government Claims Board

## Open Meeting Minutes

August 19, 2010, Board Meeting

The California Victim Compensation and Government Claims Board (Board) convened its meeting in open session at the call of Bill Leonard, Secretary, State and Consumer Services Agency, at 400 R Street, Sacramento, California, on Thursday, August 19, 2010, at 10:01 a.m. Also present were Board members Les Kleinberg, Deputy Controller, acting for and in the absence of John Chiang, Controller, and Board member Michael Ramos, San Bernardino County District Attorney.

Board staff present included Julie Nauman, Executive Officer; Patty Harris, Chief Deputy Executive Officer; and Wayne Strumpfer, Chief Counsel. Tisha Heard, Board Liaison, recorded the meeting.

The Board meeting commenced with the Pledge of Allegiance.

### **Item 1. Approval of Minutes of the June 17, 2010, Board Meeting**

Chairperson Leonard and Board member Kleinberg voted to approve the minutes of the June 17, 2010, Board meeting. Board member Ramos abstained from the vote.

### **Item 2. Public Comment**

The meeting was opened to public comment. No public comment was offered.

### **Item 3. Executive Officer's Statement**

Executive Officer Julie Nauman reported that the imposition and collection of restitution fines and orders and the modification to the CaRES database and application design continue to be the CalVCP's top priorities. Ms. Nauman gave the following report:

- Executive Officer Julie Nauman spearheaded restitution outreach efforts through a series of meetings with key officials. On July 26-27, Ms. Nauman travelled to Southern California to meet with Orange County District Attorney Tony Rachaukas, Riverside County District Attorney Rod Pacheco, Los Angeles City Attorney Carmen Trutanich, and San Diego District Attorney Bonnie Dumanis. Ms. Nauman stated discussions included the state of the Restitution Fund (Fund) and the impact the failing economy has had on the Fund, as well as the importance of imposing and collecting restitution orders and fines. Over the next several weeks, CalVCP will work with stakeholders in anticipation of holding a Restitution Summit in late October or early November 2010. The Summit will be a focused effort to bring all stakeholders together to discuss current processes and best practices and ways to improve the collection of revenue so that the Fund remains stable.
- The consultants for the CaRES modification project are on board and to date the project is in the planning phase. An All Staff Kickoff Meeting will be held on September 1<sup>st</sup> to introduce the project to staff; thereafter the validation phase will begin on September 7th. The two-phase project is expected to be completed by June 2012.

Chairperson Leonard asked whether the two systems would be in use before the end of the validation period. Ms. Nauman clarified that CaRES will continue to be in use while the system is being modified. She stated that the validation phase will begin in September and is expected to end in January 2011. Once complete, the modification phase will take 18 months. Towards the end of this period, the two systems will be merged into a seamless crossover.

### **Item 4. Contract Report**

The Board voted to approve the contract for Quest Media & Supplies, Inc., for IT consulting services which will focus on backup and recovery to ensure that data is backed up reliably.

### **Item 5. Proposed Board Meeting Dates for Calendar Year 2011**

The Board voted to approve the Board meeting dates for calendar year 2011. Chairperson Leonard requested staff recalendar the item to the January 20, 2011, Board meeting in order to allow the newly appointed Secretary of State and Consumer Services Agency an opportunity to review the dates to ensure there is not a conflict.

### **Item 6. Legislative Update**

Jon Myers, Deputy Executive Officer, Legislation and Public Affairs Division, presented the Legislative Update, an information item, to the Board. Mr. Myers reported the following:

- AB 1715 (Fuentes) and SB 910 (Kehoe), the VCGCB's Government Claims bills, are moving through floor sessions and are in their appropriate houses for concurrence.
- SB 733 (Leno), the bill relating to VCP trauma center grants, underwent amendments. The bill has been amended to now require the VCP award up to \$2 million, rather than \$3 million, in grants annually from the Restitution Fund and now provides that the appropriation is contingent on a Restitution Fund reserve of at least 25 percent of projected annual expenditures. The Board opposes this bill.
- SB 1046 (Cogdill), the bill that requires that claims against CSU be presented to the Trustees of the CSU, rather than the VCGCB's Government Claims Program, and authorizes the Trustees to adjust and pay those claims, has passed the floor and is in enrollment. The Board opposes this bill.

### **Government Claims Program**

#### **Item 7. Consent Agenda (Nos. 1- 790)**

Chairperson Leonard stated there were 790 items on the Government Claims consent agenda, with item numbers 42 and 163 recommended for removal. Chairperson Leonard stated he was aware that a member of the public wished to address the Board regarding items on the agenda and would be allowed to do so after the manager of the Government Claims Program introduced the items. He further stated that after the individual spoke, the Board would decide whether the item would be removed from the consent calendar for further special consideration or whether it would remain on the calendar with the same staff recommendation.

#### **Consent Agenda Appearance**

##### **Item Nos. 192-196**

Arturo Aleman, Director of Strategic Initiatives for the United Latinos, a nonprofit, nonpartisan organization in Sacramento, appeared. Mr. Aleman stated he supported the Government Claims Program recommendations to reject item numbers 192-196, the claims of EdFund Executives Len Hyde, Samuel Kip, David Reid, Therese Bickler, and Martin Scanlon. He stated EdFund is a nonprofit corporation that was founded by the California Student Aid Commission in 1997. It operates as an auxiliary organization under the Commission and administers the federal student loan program. He stated in 2008 EdFund executives attempted to create their own severance package of more than \$3 million but was halted by the State. He further stated EdFund executives are now in the process of trying to fashion another package for themselves in excess of \$340,000 to which his organization is opposed because the money is taxpayers dollars that should be spent on students. Mr. Aleman also stated EdFund has an office building in Rancho Cordova that has been vacant for the last two years, costing the State \$1.3 million a year. He added the management of EdFund has not been exemplary and their conduct is underserving of their bonuses.

Chairperson Leonard thanked Mr. Arturo and his organization for their support of the Government Claims Program's recommendation to reject the claims. Chairperson Leonard stated the items would remain on the Government Claims consent agenda with a recommendation of denial.

The Board voted to approve the staff recommendations for numbers 1-790, with the exception of item number 43 which was removed pending the review of additional information received and item number 163 which was removed in order to allow the claimant an opportunity to address the Board.

**Consent Agenda Appearance**

**Item No. 163, G587984**

**March of Dimes Birth Defects Foundation**

Allison L. Ehlert appeared on behalf of the March of Dimes Birth Defects Foundation. Patricia Rodriguez and Sandra Bahn appeared on behalf of the Department of Public Health.

March of Dimes Birth Defects Foundation requested \$439,419.00 for personnel-related expenses pursuant to the contract with the Maternal, Child and Adolescent Health Division of the Department of Public Health.

The Board voted to adopt the staff recommendation to reject the claim.

**Item 8. David W. Brewer**

**Claim Number G581306**

David W. Brewer requested that the Department of General Services (DGS) pay a penalty in the amount of \$16,420.16. This penalty is based on an alleged failure of DGS to timely issue his final pay warrant and an error of excess Social Security withholdings.

The Board voted to allow the claim in the amount of \$16,420.16 under authority of Government Code section 965 (agency pay).

**Item 9. Eugene Vetter**

**Claim Number G588897**

Eugene Vetter requested payment in the amount of \$95,309.56 for two stale-dated warrants originally issued November 29, 2006, and December 13, 2006, from the tax refund account.

The Board voted to adopt the staff recommendation to allow the claim in the amount of \$95,309.56 under authority of Government Code section 905.2(b)(4) (legislative pay).

**Item 10. Claim of Entrix, Inc.**

**Claim Number G590151**

Entrix, Inc., requested payment in the amount of \$164,736.44 for consulting services provided to the Department of Food and Agriculture during the period of January 22, 2008, through March 31, 2010.

The Board voted to adopt the staff recommendation to allow the claim in the amount of \$164,736.44 under authority of Government Code section 965 (agency pay).

**Item 11. Sacramento County Office of Education  
Claim Number G590357**

Sacramento County Office of Education requested payment in the amount of \$308,587.82 for administering the California High School Proficiency Examination for the Department of Education. Sharon Taylor, Director, Fiscal & Administrative Services Division, appeared on behalf of the Department of Education in support of the claim.

Board member Kleinberg stated according to the Government Claims Program staff report, the Department of Education attempted to pay the claim through a special session bill, the 4<sup>th</sup> Extraordinary Session. Board member Kleinberg asked Ms. Taylor to explain the current status of the funds.

Ms. Taylor stated the correction to the prior special session bill was not included because it was very technical. She further stated there is no active bill that has the correction that would allow the Department of Education to make payment to the Sacramento County Office of Education, which has earned the money.

The Board voted to adopt the staff recommendation to allow the claim in the amount of \$308,587.82 under authority of Government Code section 965 (agency pay).

**Item 12. Applications for Discharge from Accountability for Collection**

The Board voted to adopt the staff recommendation to allow the 79 requests from state agencies.

**Item 13. Request for Continuation of the Government Claims Program/California Highway Patrol Project**

Government Claims Program staff, with the approval of the California Highway Patrol (CHP), recommended the operation of the CHP Project be continued as the CHP Program, effective August 19, 2010, through August 30, 2012, with the provision that the project may be discontinued by either the Board or the CHP with 30 days' written notice.

The Board voted to approve the request.

**Item 14. Approval of Responses to Public Comment;  
Adoption of Regulations Regarding Claims of Persons Erroneously Convicted of Felonies  
(Tit. 2, §§ 640 - 645); and  
Authorization to File the Regulations with the Office of Administrative Law**

The Board voted to (1) approve the responses to the public comments; (2) adopt the regulations for claims of Persons Erroneously convicted of Felonies; and (3) authorize the Executive Officer to file the regulations with the Office of Administrative Law.

**Victim Compensation Program**

The Board commenced the Victim Compensation Program portion of the meeting at 10:50 a.m.

**Request for Reconsideration  
Recommendation: Allow and Refer to Program Staff for Verification  
(Nos. 1 and 2)**

The Board voted to adopt staff recommendations.

**Requests for Reconsideration**

**Recommendation: Deny**

**(Nos. 3-42)**

The Board voted to adopt staff recommendations.

**Requests for Reconsideration Following Board Action on a Proposed Decision**

**Recommendation: Deny**

**(No. 43)**

The Board voted to adopt the proposed decision.

**Proposed Decisions Following Failure to Respond**

**(Nos. 44-119)**

The Board voted to adopt the proposed decisions.

**Proposed Decisions Following Failure to Appear**

**(Nos. 120-150)**

The Board voted to adopt the proposed decisions.

**Closed Session**

Pursuant to Government Code section 11126(c)(3), the Board adjourned into Closed Session with the Board's Executive Officer, Chief Deputy Executive Officer, and Chief Counsel at 10:52 a.m. to deliberate on the proposed decisions, numbers 151 through 176.

The Board reconvened into open session at 11:01 a.m.

**Open Session**

The Board voted to adopt the proposed decisions for numbers 151 through 176.

**Adjournment**

The Board meeting adjourned at 11:01 a.m.

Julie Nauman  
Executive Officer



I certify that the California Victim Compensation and Government Claims Board adopted these minutes at its meeting of September 16, 2010, at Sacramento, California.

Date: September 16, 2010

By:



Board Liaison (Affix Seal here)