

Executive Officer's Report

February 13, 2015

I. Administration Division Update

- A. **Board Members** – Jessica Leavitt, Public Board Member, is resigning from the Board effective March 15, 2015. Her resignation will leave two public member positions vacant. Anyone interested in serving on the Board should contact the Governor's Appointment Secretary or go to the Governor's website.
- B. **BreEZe** – The Board continues to assist in the development, configuration, design and testing of the Department of Consumer Affairs' (DCA) BreEZe system.

As reported in November, the Board completed its formal review of Part 2 documents on October 17, 2014. DCA's response with comments was submitted to the vendor on October 20, 2014. The Board began to review the vendor's response to the comments submitted on November 7, 2014 and a meeting was held from November 19-21, 2014 with Board staff, DCA BreEZe staff and the vendor to discuss and approve the comments. On November 21, 2014, the Board "signed off" on Part 2 of the project.

The next phase of the project is testing. On January 8 & 13, 2015, nine Board staff members attended training for User Acceptance Testing (UAT). On January 16, 2015, six staff members, including the Executive Officer (EO) and Assistant Executive Officer (AEO), attended a UAT overview.

Before UAT can begin, the Board must first develop scripts. The Board submitted its script inventory to the vendor on January 15, 2015. All Board staff designated to participate in UAT are scheduled for a script writing training on February 13, 2015. According to the DCA BreEZe Team, the Board has approximately 196 scripts to write. Script development is tentatively scheduled through May 4, 2015, with UAT process training scheduled to begin June 1, 2015. UAT is tentatively scheduled from September 1, 2015 through October 27, 2015.

Other BreEZe activities concurrently in progress with script development and UAT include:

1. Data validation;
2. Data clean-up;
3. Reports; and
4. Correspondence.

During January 2015, DCA's SOLID Training and Planning Solutions division began Organizational Change Management (OCM) activities. OCM addresses the people side of change by providing a framework to manage the impact and mitigate the risks associated with change in an organization. Some of the key activities in this OCM effort include mapping existing business processes in key functional areas such as licensing, enforcement and cashing; identifying process gaps between "as-is" processes and

“to-be” processes; finding solutions to address these gaps; and creating program specific end-to-end UAT scripts to test these solutions. The OCM transition support is a critical component of the R2 BreEZe implementation plan and will help ensure a successful migration to the BreEZe system.

The DCA anticipated having more details of the increased BreEZe costs available to R2 boards by January 26, 2015. However, the BreEZe Special Projects Report had not been approved so the meeting to reveal those details was postponed to February 17, 2015. As of the writing of this report, updated BreEZe costs have not been received by the Board.

The R2 “go live” date is still expected to occur by the end of December 2015.

- C. **Budget** – On January 27, 2015, the EO and AEO met with DCA Budget Manager, Cynthia Dines, and the Board’s DCA Budget Analyst, Jennifer Amen, to discuss the Board’s 2014-15 fiscal year (FY) expenditure projections and current fund conditions for both the VN and PT programs.

Current FY Budget Allocations:

Current FY 2014-15 expenditure projections indicate that the Board will over expend its budget authority for the VN Program by the end of this FY. The largest deficit is projected to be in enforcement, specifically for the Office of Attorney General (AG) and Office of Administrative Hearings (OAH). The PT Program is also projected to over expend its AG budget authority. However, projections indicate that sufficient savings in other areas of the PT budget will be achieved so that the Board can redirect funds to support the over expenditure in that Program.

The Board was advised to request a budget augmentation for the VN Program to increase its AG and OAH budgeted authority. As of December 2014, the Board has expended \$757,000 for AG Services, or 64% of the budgeted line of \$1,183,000, and projects to exceed its budgeted authority by \$332,000. Additionally, the Board has expended \$153,000 for OAH services, or 51% of the budgeted line of \$301,000, and projects to exceed its budgeted authority by \$35,000. On January 30, 2015, the Board submitted a request to augment its VN budget by a total of \$367,000 (AG: \$332,000 + OAH: \$35,000).

The Board was also advised to reduce expenditures in personnel services. Consequently, overtime for pay was terminated effective January 30, 2015. The Board must also consider leaving positions vacant and/or reduce its temporary help to achieve savings.

Additionally, the Board was advised to reduce expenditures in its operating expense and equipment. Therefore, the Board must identify areas where expenditures can be reduced and savings achieved. Discretionary areas under this category include: general expense (supplies, small purchases, etc.), equipment, printing, communication, postage, travel, and training.

The Board will continue to work with the DCA Budget Staff and monitor expenditures very closely, at least monthly, until the required savings are achieved.

Fund Conditions:

The fund conditions (Attachment A) show that the VN program is projected to have approximately 16.1 months in reserve and the PT program is projected to have 6.1 months in reserve at the end of this FY. Projections continue to show that the PT Program will be deficient in FY 2017/18.

As reported in November, with BreEZe costs continuing to rise, these reserves will not support the programs' fund conditions as projected. The attached fund conditions do not include the increased BreEZe costs that have yet to be specified by DCA.

D. **Internal Audit** – On December 9, 2014, the EO and AEO met with Naomi Banks, Auditor from the DCA Internal Audit Office (IAO), for an Entrance Conference to begin the Board's Internal Operational Audit. Ms. Banks provided the following information.

➤ **Purpose**

The purpose of the audit is to determine if the Board has:

- Established a strategic planning process to measure the extent to which organizational goals and objectives are achieved;
- Established policies and procedures to guide staff in effectively handling operational activities; and
- Complied with applicable laws and regulations.

➤ **Scope**

The audit period will be fiscal year 2013-2014. Ms. Banks plans to analyze the following:

- Strategic planning and performance goals and measures;
- Licensing;
- Complaints and enforcement;
- Personnel (Duty Statements and Overtime);
- Environmental and Occupational Hazards;
- Cashiering;
- Prior issues identified in prior audit reports (internal/external); and
- Other operational activities, as appropriate.

➤ **Procedures**

The following procedures are planned:

- Interview appropriate personnel within the Board;
- Review the Board's policies, procedures and other selected documents;
- Obtain an understanding of the systems and processes related to the scope of the audit; and
- Perform compliance testing, as necessary.

➤ **Report Process**

- Ms. Banks estimates her fieldwork to be completed by February 20, 2015. During the audit she will communicate audit issues as they arise.
- At the conclusion of the fieldwork, an exit conference will be conducted to discuss the results of the audit.
- A draft audit report will be issued and the Board will be asked to respond to audit findings and recommendations.
- The Board's response will be included in the final report issued to the Director.
- The IAO plans to issue the final audit report by April 10, 2015.

➤ **Follow-up**

Subsequent to issuing the final audit report, the IAO will perform a 180-day and 360-day audit follow-up to determine if corrective actions are implemented.

The AEO is the Board's primary contact for this audit.

On December 15, 2014, Ms. Banks sent an employee survey to all Board staff. The survey is confidential. Employees were not asked to provide their names and were instructed to return the survey, marked "confidential", by inter-office mail.

On December 18, 2014; January 14, 2015; and January 29, 2015, Ms. Banks collected several procedures manuals to review. Ms. Banks has not contacted the Board since then.

II. Personnel Update

- A. **Staff Recognition** – On January 20, 2015 and February 2, 2015, (Attachment B) the Board received letters from Senator Joel Anderson acknowledging the swift service and professionalism provided by Carol Northrup, Licensing and Administrative Services Manager; Tricia Bergen, Enforcement Analyst; and Dannetta Garcia, Management Services Technician (Education Division). Senator Anderson's constituent affairs specialist, Lori Brown, resolved over 1,000 constituent cases with the assistance from Ms. Northrup, Ms. Bergen and Ms. Garcia.
- B. **Recruitment of Nursing Education Consultants** – The Board continuously recruits to fill the NEC vacancies. Currently, there are 2 vacant NEC positions. Since its last Board Meeting in November, the Board continued to conduct interviews to fill the positions but has not found qualified candidates interested in taking the job. The Board will conduct interviews until the positions are filled.
- C. **Board Vacancies (Authorized Positions)** – Since the November Board Meeting, the Board filled 3 authorized positions. The Board has 11 positions vacant for a 16% vacancy rate (i.e., 11 vacant positions out of 67.9 total positions). The vacant positions are currently in the following Divisions:

- 1 Administration Division.
- 3 Enforcement Division.
- 5 Licensing Division.
- 2 Education Division.

Promotions

Carli Gonzales	December 2, 2014	Staff Services Analyst
Conor Janicik	December 15, 2014	Staff Services Analyst
Regina Rodriguez	January 1, 2015	Staff Services Analyst

Separations

Antranette Robinson	December 12, 2014	Staff Services Analyst
Derrell Stevenson	January 20, 2015	Special Investigator
Karen Nelson	January 23, 2015	Associate Governmental Program Analyst (RA)

Resignation

Denise Rodriguez	January 28, 2015	Nursing Education Consultant
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D. **Board Vacancies: BL 12-03** – Effective July 1, 2012, Budget Letter (BL) 12-03 directed the Board to eliminate budgeted salary savings and allocate that amount to accurately reflect how state operation funds are being expended. That directive resulted in the elimination of 3.8 of the Board’s authorized positions. However, the Board was notified that it could still fill those positions because the funding for those positions is still available. Therefore, the Board began recruitment to fill the following positions:

- 2 Program Technician II positions (full-time);
- 1 Office Technician position (full-time); and
- 1 Office Technician position (half-time).

One Office Technician (full-time) position and one Office Technician (half-time) position are vacant. Due to budget considerations, the Board will not attempt to fill these positions until the budget can support it.

E. **Board Vacancies: Retired Annuitant (RA)** – The Board received approval to hire 5 RAs to assist the Board during the BreEZe conversion and 2 RAs to assist the Education Division with its workload. Approval for the BreEZe RA positions was extended and will expire on June 30, 2015. These 7 RA positions are in addition to the existing 2 NEC RAs currently working in the Education Division (total = 9 RAs approved).

Of the 9 approved RA positions, three vacancies exist. One in the Education Division and two in the Enforcement Division. Due to budget considerations, the Board will not attempt to fill these positions until the budget can support it.

- F. **Overtime** - Board staff have volunteered to work overtime on a regular basis to attempt to eliminate and prevent backlogs. During this current fiscal year (FY) 2014/15 (7/1/14 through 1/31/15), Board staff volunteered to work overtime approximately 5,685 hours as shown below:

Licensing Division: 2,053
Enforcement Division: 3,130
Other Divisions: 502

As indicated in section C of this report, effective January 30, 2015, the Board terminated overtime for pay due to budget constraints. Voluntary overtime will continue to be approved for compensating time off only.

(2/9/15)

Agenda Item #9 – Attachment A

0779 - Vocational Nursing Program Analysis of Fund Condition

Prepared 01/20/2015

(Dollars in Thousands)

	ACTUAL	Authorized Budget Act CY	Proposed BY	BY+1	BY+2
	2013-14	2014-15	2015-16	2016-17	2017-18
BEGINNING BALANCE	\$ 9,844	\$ 10,647	\$ 11,738	\$ 13,507	\$ 14,996
Prior Year Adjustment	\$ 224	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	<u>\$ 10,068</u>	<u>\$ 10,647</u>	<u>\$ 11,738</u>	<u>\$ 13,507</u>	<u>\$ 14,996</u>
REVENUES AND TRANSFERS					
Revenues:					
125600 Other regulatory fees	\$ 223	\$ 150	\$ 158	\$ 158	\$ 158
125700 Other regulatory licenses and permits	\$ 3,475	\$ 3,431	\$ 3,431	\$ 3,431	\$ 3,431
125800 Renewal fees	\$ 6,427	\$ 6,660	\$ 6,811	\$ 6,811	\$ 6,811
125900 Delinquent fees	\$ 139	\$ 60	\$ 60	\$ 60	\$ 60
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ 1	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 24	\$ 36	\$ 39	\$ 45	\$ 161
150500 Interest from Interfund Loans	\$ -	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ 7	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 9	\$ -	\$ -	\$ -	\$ -
163000 Settlements/Judgements	\$ 4	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	<u>\$ 10,309</u>	<u>\$ 10,337</u>	<u>\$ 10,499</u>	<u>\$ 10,505</u>	<u>\$ 10,621</u>
Totals, Revenues and Transfers	<u>\$ 10,309</u>	<u>\$ 10,337</u>	<u>\$ 10,499</u>	<u>\$ 10,505</u>	<u>\$ 10,621</u>
Totals, Resources	<u>\$ 20,377</u>	<u>\$ 20,984</u>	<u>\$ 22,237</u>	<u>\$ 24,012</u>	<u>\$ 25,617</u>
EXPENDITURES					
Disbursements:					
0840 State Controller (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -
1110 Program Expenditures (State Operations)	\$ 9,682	\$ 9,238	\$ 8,715	\$ 9,016	\$ 9,323
8880 Financial Information System for California (State Operator	\$ 48	\$ 8	\$ 15	\$ -	\$ -
Total Disbursements	<u>\$ 9,730</u>	<u>\$ 9,246</u>	<u>\$ 8,730</u>	<u>\$ 9,016</u>	<u>\$ 9,323</u>
FUND BALANCE					
Reserve for economic uncertainties*	\$ 10,647	\$ 11,738	\$ 13,507	\$ 14,996	\$ 16,294
Months in Reserve	13.8	16.1	18.0	19.3	20.3

*Off by 1 due to rounding

0780 - Psychiatric Technicians Program

Analysis of Fund Condition

Prepared 01/20/2015

(Dollars in Thousands)

	ACTUAL 2013-14	Authorized BUDGET ACT CY 2014-15	Proposed BY 2015-16	BY+1 2016-17	BY+2 2017-18
BEGINNING BALANCE	\$ 1,529	\$ 1,479	\$ 1,058	\$ 687	\$ 258
Prior Year Adjustment	\$ 88	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 1,617	\$ 1,479	\$ 1,058	\$ 687	\$ 258
REVENUES AND TRANSFERS					
Revenues:					
125600 Other regulatory fees	\$ 13	\$ 3	\$ 3	\$ 3	\$ 3
125700 Other regulatory licenses and permits	\$ 294	\$ 277	\$ 277	\$ 277	\$ 277
125800 Renewal fees	\$ 1,404	\$ 1,395	\$ 1,400	\$ 1,400	\$ 1,400
125900 Delinquent fees	\$ 26	\$ 15	\$ 15	\$ 15	\$ 15
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 4	\$ 10	\$ 8	\$ 1	\$ -
150500 Interest from Interfund Loans	\$ -	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 1	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 1,742	\$ 1,700	\$ 1,703	\$ 1,696	\$ 1,695
Totals, Revenues and Transfers	\$ 1,742	\$ 1,700	\$ 1,703	\$ 1,696	\$ 1,695
Totals, Resources	\$ 3,359	\$ 3,179	\$ 2,761	\$ 2,383	\$ 1,953
EXPENDITURES					
Disbursements:					
0840 State Controller (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -
1110 Expenditures (State Operations)	\$ 1,870	\$ 2,119	\$ 2,070	\$ 2,125	\$ 2,181
8880 Financial Information System for California (State Operations)	\$ 10	\$ 2	\$ 4	\$ -	\$ -
Total Disbursements	\$ 1,880	\$ 2,121	\$ 2,074	\$ 2,125	\$ 2,181
FUND BALANCE					
Reserve for economic uncertainties	\$ 1,479	\$ 1,058	\$ 687	\$ 258	\$ -228
Months in Reserve	8.4	6.1	3.9	1.4	-1.2

Senate

California Legislature

JOEL ANDERSON

SENATOR

THIRTY-EIGHTH SENATE DISTRICT

2015 FEB -2 PM 1:17



January 7, 2015

Angelina Martin
DCA Board of Vocational Nursing & Psychiatric Tech.
2535 Capital Oak Dr. Suite 205
Sacramento, CA 95833

Dear Angelina,

Thank you for helping to make my first term in the Senate a great success.

The wall in my district office that is covered with notes from appreciative constituents is a testament to the work our offices have done together to make government work for those we serve.

It is my pleasure to inform you that a member of your team, Carol Northrup, played an important role in our success. Ms. Northrup handles every issue with the utmost professionalism and care for my constituents. She clearly approaches her job with the goal of solving problems as swiftly as possible. She has been wonderful to work with, and her noteworthy effort reflects well on your exceptional leadership.

Once again, Lori Brown from my office brought over 1,000 constituent cases to resolution this year, and she has consistently commended Ms. Northrup to me about the remarkable response to our requests.

As we move forward into 2015, I wanted to be sure to publicly thank you on behalf of the citizens of the 38th Senate District.

Please let me know if I may be of future service to you.

Sincerely,


Joel Anderson
Senator

Senate

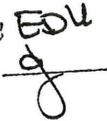
California Legislature

JOEL ANDERSON

SENATOR

THIRTY-EIGHTH SENATE DISTRICT

2015 JAN 20 PM 1:36

BVNPT Received on 1/20/15 with EDU 



January 7, 2015

Cheryl Anderson
DCA Board of Vocational Nursing & Psychiatric Tech.
2535 Capital Oak Dr., Suite 205
Sacramento, CA 95833

Dear Cheryl,

Thank you for helping to make my first term in the Senate a great success.

The wall in my district office that is covered with notes from appreciative constituents is a testament to the work our offices have done together to make government work for those we serve.

It is my pleasure to inform you that a member of your team, Dannetta Garcia, played an important role in our success. Ms. Garcia handles every issue with the utmost professionalism and care for my constituents. She clearly approaches her job with the goal of solving problems as swiftly as possible. She has been wonderful to work with, and her noteworthy effort reflects well on your exceptional leadership.

Once again, Lori Brown from my office brought over 1,000 constituent cases to resolution this year, and she has consistently commended Ms. Garcia to me about the remarkable response to our requests.

As we move forward into 2015, I wanted to be sure to publicly thank you on behalf of the citizens of the 38th Senate District.

Please let me know if I may be of future service to you.

Sincerely,


Joel Anderson
Senator

Senate
California Legislature
JOEL ANDERSON
SENATOR
THIRTY-EIGHTH SENATE DISTRICT

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2015 FEB -2 PM 1:17



January 7, 2015

Alice Delvey-Williams
DCA Board of Vocational Nursing & Psychiatric Tech.
2535 Capital Oak Dr., Suite 205
Sacramento, CA 95833

Dear Alice,

Thank you for helping to make my first term in the Senate a great success.

The wall in my district office that is covered with notes from appreciative constituents is a testament to the work our offices have done together to make government work for those we serve.

It is my pleasure to inform you that a member of your team, Trisha Bergen, played an important role in our success. Ms. Bergen handles every issue with the utmost professionalism and care for my constituents. She clearly approaches her job with the goal of solving problems as swiftly as possible. She has been wonderful to work with, and her noteworthy effort reflects well on your exceptional leadership.

Once again, Lori Brown from my office brought over 1,000 constituent cases to resolution this year, and she has consistently commended Ms. Bergen to me about the remarkable response to our requests.

As we move forward into 2015, I wanted to be sure to publicly thank you on behalf of the citizens of the 38th Senate District.

Please let me know if I may be of future service to you.

Sincerely,


Joel Anderson
Senator

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