

AUGUST 14, 2019

# **DCA: Update on Professional Licensing, Technology, and the Business Modernization Plan**

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PRESENTED TO:

Assembly Accountability and Administrative Review  
Committee

Hon. Cottie Petrie-Norris, Chair  
and

Assembly Business and Professions Committee

Hon. Evan Low, Chair



LEGISLATIVE ANALYST'S OFFICE

# Department of Consumer Affairs

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The Department of Consumer Affairs (DCA) is responsible for promoting consumer protection while supporting a fair and competitive marketplace. Currently, there are 37 boards, bureaus, commissions, and programs within the department. Through these entities, DCA performs two main activities:

- **Licensing.** Licenses approximately 3 million individuals in roughly 250 professional categories, such as doctors, acupuncturists, and cosmetologists. In addition, the department licenses certain businesses, such as auto repair facilities.
- **Enforcement.** Investigates complaints and disciplines violators of licensing requirements, when appropriate.

The 2019-20 budget includes over \$730 million and supports 3,400 positions for DCA and its boards and bureaus. DCA is funded almost entirely by fees paid by its licensees.



# BreEze

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***BreEZe Proposed to Replace Various DCA Information Technology (IT) Systems.*** When launched in 2009, BreEZe was proposed to be an integrated, web-enabled enforcement and licensing system that would replace various IT systems that had been in place at all of the boards and bureaus within DCA.

- It was proposed to be completed in three phases (or “releases”), with roughly half of the boards and bureaus to be transitioned to BreEZe in the third release.
- The BreEZe project was approved with a budget of \$28 million and an expected completion date of June 2014. DCA selected Accenture as the vendor for the project in September 2011.
- The first release was launched in October 2013.

***BreEZe Terminated After Release 2 Due to Project Challenges.*** The project experienced various implementation issues such as performance problems, delays, and cost increases.

- In January 2015, the administration informed the Legislature of its intent to cancel the contract with Accenture after completion of Release 2 due in large part to the rising project costs, which totaled \$96 million for Releases 1 and 2 alone.
- In January 2016, DCA implemented BreEZe for the Release 2 boards and bureaus and has since reported that it proceeded successfully.



# Business Modernization

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***DCA Launched Business Modernization Effort.*** At the direction of the Legislature, in December 2017, DCA submitted a plan for addressing the IT needs of the 16 Release 3 boards and bureaus, referred to as its business modernization plan. This plan was updated in December 2018.

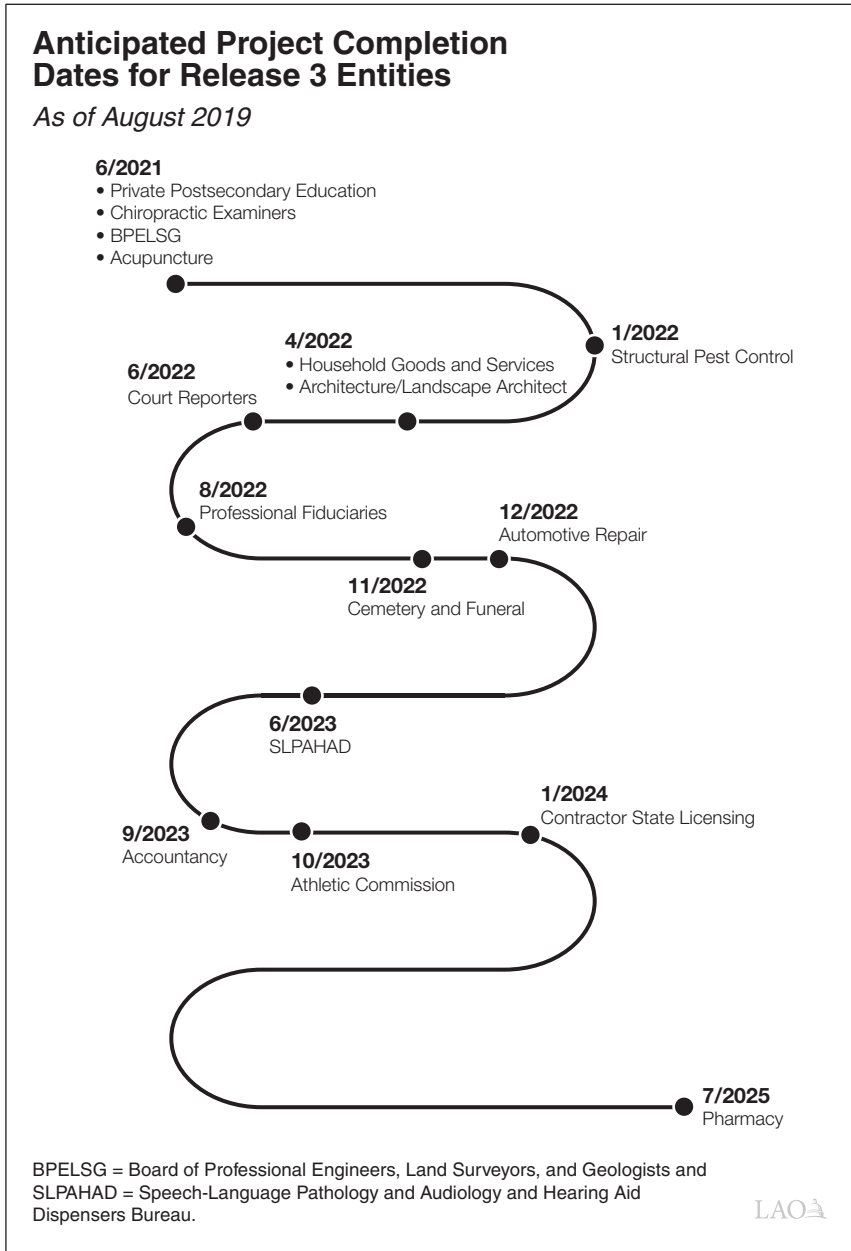
- The plan incorporates the department's lessons learned from BreEZe and reflects a revised approach to meeting board and bureau IT needs. For example, a key contributor to the problems experienced by the BreEZe project was insufficient project planning and preparation. Accordingly, the plan focuses on up-front planning and organizational readiness.
- Consistent with this focus, the plan envisions boards and bureaus moving at different time lines based on their level of readiness. Additionally, it envisions that the boards and bureaus will implement various IT solutions, as relevant, depending on their specific needs, as assessed during the planning activities.

***Varied Levels of Progress to Date Towards Implementing New IT Systems.*** To date, seven of the Release 3 boards and bureaus have completed their business activities (such as conducting reviews of current and future business processes), and four have completed their analyses of project alternatives and identified their recommended IT solutions. As shown in the figure on the next page, according to DCA's most recent estimates, the IT systems for the Release 3 boards and bureaus are expected to be completed gradually over the next six years.



# Business Modernization

(Continued)



## Recent Budget Actions

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**2019-20 Budget Provided Funding for IT Projects for Six Entities.** As shown in the figure, the 2019-20 budget includes \$5.5 million on a one-time basis from various funds to support six entities for early-stage work planning and acquiring new IT systems.

<b>Funding for Business Modernization Projects Approved in 2019-20 Budget</b> <i>(In Thousands)</i>	
<b>Entity</b>	<b>Amount</b>
Accountancy	\$251
Acupuncture	1,147
BPELSG	1,250
Chiropractic Examiners	540
Pharmacy	251
Private Postsecondary Education	2,029
<b>Total</b>	<b>\$5,468</b>

BPELSG = Board of Professional Engineers, Land Surveyors, and Geologists and  
DCA = Department of Consumer Affairs.

**Full Project Costs Not Yet Identified.** In some cases, DCA has prepared preliminary project cost estimates, which will be refined through the project development process, referred to as the Project Approval Lifecycle.

