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Assembly California Legislature



KRISTIN OLSEN
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February 5, 2014

Members of the Committee
Joint Legislative Audit Committee
1020 N Street, Room 107
Sacramento, CA 95814

Dear Chairman Gray,

This letter is to request that the Joint Legislative Audit Committee approve an audit of policies and procedures on the planning, development and implementation of new electronic processing systems for licensing within the Department of Consumer Affairs (DCA), specifically the system called BreEZe that is currently used by the Board of Registered Nursing (BRN).

In fall 2013, the BRN was scheduled in the first of three rollouts of the boards and bureaus overseen by the DCA to transition to the BreEZe paperless internet system. According to the DCA website, the completion of BreEZe will provide "improved access to our services, greater ease of use for our stakeholders and improved back-office functionality that will greatly enhance our licensing and enforcement efficiency." These are excellent goals that I have been promoting through legislation since I was first elected to the Assembly. By the spring of 2015, all of the boards and bureaus under the DCA are supposed to be using this new system.

My office has been contacted by a number of nursing graduates, professors and hospital administrators who have experienced a great deal of difficulty since the implementation of the new electronic system. Hardworking students who recently graduated from nursing programs are unable to have their applications processed in a timely manner. Due to the unsuccessful rollout, graduates are unable to secure local jobs and local hospitals remain understaffed.

Difficulty in unrolling new websites and technology systems has become an alarming trend in California State agencies. Last fall, the Employment Development Department (EDD) upgraded its internet technology system, which resulted in delayed unemployment benefit payments to roughly 150,000 California residents. In October of last year, Covered California was unable to process many applications online after its launch and had to shut its website down while trouble shooting. Although staff was on hand to walk people through the enrollment process in person, without access to the website, there was little staff could do to help them.

Last year, a Senate Budget Sub-Committee held a hearing when the State Controller's office lost hundreds of millions of dollars after a complex internet upgrade to the state payroll system failed

to launch properly. Legislative analysts say an effort to learn from the project's mistakes was hampered by a decision not to pursue an independent assessment of what went wrong.

After speaking with officials from the DCA, BRN and affected parties, it is clear that the BRN's delay in license processing stems from the launch of BreEZe. While I applaud efforts to improve services, functionality and customer/stakeholder experience, the exact opposite has occurred in this scenario.

As a result of the immediate need to get licensed nurses into hospitals, as well as the DCA's intent to bring other boards and bureaus into the BreEZe system, I am requesting an audit of the policies and procedures on adopting, updating and installing new electronic processing systems within the Department of Consumer Affairs before the end of this year:

1. Were laws, rules, regulations and/or best practices followed in planning, developing and implementing the BreEZe system?
2. Was there appropriate and adequate oversight and testing throughout the project?
3. Were employees provided appropriate and adequate training on the BreEZe system?
4. What was the processing time before and after the launch of the BreEZe system? In other words, what impact did the automated system have on the licensing process?
5. What were the primary contributors to the current delay in the licensing process and what corrective action has been taken?
6. What is the current backlog of applications, how is it being addressed, and what measures are in place to provide service to new and renewing applicants?
7. What were the estimated and actual costs and timeline for the BreEZe project?
8. Is the state adequately protected if the vendor(s) are responsible for the problems that occurred in the implementation of the system?

When costly and time-consuming internet technology projects are in the planning, development and implementation stages, it is expected that the state has progressed with consideration to past failures. As Californians attempt to take state exams, secure jobs, obtain paychecks, or subscribe for health benefits and the system fails, it is unacceptable to rely upon excuses. We should expect that the services our economy and people have to depend on are reliable.

Thank you for your consideration of this request.

A handwritten signature in blue ink, appearing to read "Kristin Olsen", with a stylized flourish at the end.

Kristin Olsen
Assemblymember, District 12