STATE OF CALIFORNIA
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DEPARTMENT OF CONSUMER AFFAIRS

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March 16, 2015

Honorable Kevin De León
Senate President Pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

Honorable Toni G. Atkins
Assembly Speaker
State Capitol, Room 219
Sacramento, CA 95814

Re: Independent Review of the Bureau for Private Postsecondary Education

Senate President Pro Tempore De León and Speaker Atkins:

This correspondence is in response to the requirements of Education Code section 94949 to provide the Legislature with a copy of an "independent review of the bureau's staffing resources needs and requirements." Accordingly, you will find attached a copy of the workload analysis of the Bureau for Private Postsecondary Education (Bureau) prepared by CPS HR Consulting (CPS), entitled "Bureau for Private Post-Secondary Education: Estimated Workload and Staffing Recommendations for 'As-Is' Processes, Interim Report," dated February 13, 2015.

The CPS Interim Report findings indicate that the Bureau has backlogs and additional staff are necessary to remedy this ongoing issue. The Bureau Chief and I are working together to assess the needs of the Bureau based on this information and are committed to ensuring the Bureau has the resources necessary to eliminate the backlogs.

In this letter you will find a brief discussion of the background that led the Department of Consumer Affairs (Department) and the Bureau to contract with CPS for this report; a summary of the report; a discussion of the steps that have been taken and will be taken in the coming months to ensure that staff at the Bureau are sufficiently qualified to implement the Bureau's Act; a summary of the estimated costs of meeting those requirements; and a brief discussion of the appropriateness of the current fee structure of the Bureau.

Background
In March 2014, the California State Auditor (Auditor) released its audit report of the Bureau. The Auditor's report was critical of the Bureau's oversight of private postsecondary education institutions and noted significant backlogs of licensing applications and student complaints. Additionally, the audit found that the Bureau has not adequately inspected institutions nor enforced compliance. Finally, Senate Bill 1247 (Lieu, Chapter 840, Statutes of 2014) added new workload and regulatory requirements to the Bureau.

As a result of the Auditor's assessment, the Bureau contracted with CPS to perform a baseline workload staffing resource assessment and to examine the Bureau's current workflow processes. Although the final report has not been completed, an interim report released in February 2015, concurs with many of the Auditor's findings and provides a detailed workload and staffing assessment, based on current processes, to reduce or eliminate the current licensing and enforcement backlogs, increase compliance and investigation inspections of institutions, and improve disciplinary and administrative processes.

CPS Report
The CPS Report is an interim report, the findings of this report, therefore, are tentative and based on the old processes of the Bureau. The Department and Bureau have contracted with CPS for an additional report that will recommend process efficiencies and reevaluate the bureau's personnel and staffing; the Bureau anticipates that this report will be available in April. This interim report provides details on the Bureau's operations by evaluating backlogs and anticipating ongoing workload. A brief summary of the findings, by unit, as described in the report, is provided below.

Licensing. At the time CPS drafted this report, the Bureau had a total backlog of 869 applications, with 594 applications assigned to an analyst and a 275 applications not yet assigned. These applications were comprised of every type of application the Bureau processes including: new approvals, renewals, and change of educational objective. The CPS Interim Report identifies an average ongoing workload of 87.1 new applications every month, and the current staff are processing 86.7 applications per month. The report recommends additional staff based on the backlog under the "as-is" processes of the Bureau.

Quality of Education Unit. The quality of education unit only looks at certain types of approval and renewal applications. The unit had 91 applications in progress and had a backlog of 41 at the time of this report. The ongoing workload is 7.7 applications per month. On average, the unit processes 6.3 applications per month. CPS ultimately recommends a reduction in staff for this particular unit, but the filling of a vacant position in the short term.

Compliance. The compliance unit is averaging 21 inspections per month, which translates to approximately 252 inspections per year. Based on the current process, the report recommends a substantial increase in staff, but provides two alternatives based

on possible staggered hiring and a longer catch-up time. However, the statutory requirements for compliance inspections were changed following the enactment of SB 1247.

Complaint Investigations. The complaints unit, at the time of the report, had 1,158 complaints that were either in progress or backlogged. On average, the Bureau receives an additional 58.1 complaints per month, and is able to complete 37.2 complaints per month under the current process. The report presents two alternatives, one with a two-year catch-up timeline, and one with a restructured process in a two-year timeline. Both of these recommendations include hiring additional staff.

Discipline. The Discipline Unit was found to have workload issues demonstrated by few hours allocated to the processing of citations and enforcement referrals. The recommendations for this unit are primarily procedural.

Administrative Unit: Student Tuition Recovery Fund (Fund) and Annual Reports. At the time of the report, the Fund unit had a backlog of 152 claims with 38 assigned. The report projects 279.7 new claims per year based on a three year average. The report recommends filling a vacant position, but no additional staff. The report also recommends new staff for an annual report review process.

The interim report provides a detailed look at the current processes of the Bureau and the staff necessary to execute the work. The Department looks forward to the final CPS report which will incorporate recommendations regarding potential process efficiencies.

Sufficiently Qualified Staff

My executive team and I have been working closely with the Bureau to ensure that the staff receive the appropriate training to implement the requirements of the California Private Postsecondary Education Act of 2009. Beginning December 15, 2015, all staff at the Bureau attended a two-day program-specific training on school catalogs, performance fact sheets, enrollment agreements, and SB 1247 implementation. This training provided the managers of the different divisions of the Bureau an opportunity to work together and standardize procedures. Following the training, all staff at the Bureau now have the same understanding of the content and auditing practices of each of these different items.

The Bureau is also working with the Attorney General's Office and the Department's Division of Investigation on training regarding evidence collection, codes, report writing, and courtroom testifying. The Bureau has the following trainings already scheduled:

- March 20, 3015 – Basic Investigation
- March 27, 2015 – Witness Testifying for Licensing
- April 3, 2015 – Witness Testifying for Enforcement
- May 1, 2015 – Report Writing For Enforcement

The Bureau plans to continue to collaborate with both the Attorney General's Office and the Division of Investigation for ongoing training for staff to ensure staff are appropriately trained and continually building their knowledge and skill sets.

Staff Costs
As described above, CPS's report provides alternatives to the Department and the Bureau to determine appropriate staffing levels based on variable timelines for eliminating backlogs. The Department supports the Bureau in the efficient elimination of its backlogs. In addition, this report is an interim evaluation of the Bureau's processes and needs. Therefore, the results are tentative in terms of other potential efficiencies that the Bureau can still achieve in its processes, which may affect the final recommendations regarding resources. Therefore, the Department is still developing final staffing costs. The final estimates will be informed by the study on efficiencies the Bureau can achieve through process improvements, which will be available in April. More analysis will necessary to evaluate which alternatives will be the most beneficial for the Bureau, such as a phased-in staffing approach.

Fee Structure of the Bureau
As evidenced by this letter, the Bureau is undergoing a major change of operations and staffing levels. In addition, many of the new statutory requirements enacted in SB 1247 are still being implemented. Based on the unpredictable nature of implementation, it would be premature to recommend a change to the fee structure at this time.

This response and the CPS report are available online at http://www.bppe.ca.gov/forms_pubs/leg_report.pdf. A printed copy may also be obtained by calling (916) 431-6959.

Thank you for your time.

Sincerely,

Awet Kidane
Director, Department of Consumer Affairs

Enclosures

cc: Senator Jerry Hill, Chair, Senate Committee on Business, Professions and Economic Development
Senator Carol Liu, Chair, Senate Committee on Education
Assembly Member Susan Bonilla, Chair, Assembly Committee on Business and Professions
Assembly Member Jose Medina, Chair, Assembly Committee on Higher Education

Mac Taylor, Legislative Analyst, Legislative Analyst's Office
Ms. Diane F. Boyer-Vine, Legislative Counsel
Mr. Daniel Alvarez, Secretary of the Senate
Mr. E. Dotson Wilson, Chief Clerk of the Assembly

Camille Wagner, Legislative Affairs Secretary, Office of the Governor
Lark Park, Senior Advisor for Policy, Office of the Governor
Anna M. Caballero, Secretary, Business, Consumer Services, and Housing Agency
Reginald Fair, Deputy Secretary, Legislation, Business Consumer Services and Housing Agency

CPS HR CONSULTING

February 13, 2015

Bureau for Private Post-Secondary Education

Estimated Workload and Staffing Recommendations for 'As-Is' Processes

Interim Report

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February 13, 2015

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Special Report: Bureau Workload and Staffing Recommendations for 'As-Is' Processes

Introduction: This is an interim report provided to the Bureau and the Department of Consumer Affairs, to quantify the workload and staffing resource needs and requirements of the principal operational programs of the Bureau under the 'As Is' process configurations. It provides specific staffing recommendations for the following existing units: Licensing, Complaint Investigation, Compliance, Discipline and STRF. In addition, it provides a preliminary estimated staffing need for the Annual Report Review Unit. This work is being conducted under the rules of ethics, objectivity and independence prescribed in the Government Auditing Standards of Comptroller General of the United States (2011 Revision). Those rules prescribe that performance auditors provide "reliable, useful, and timely information for transparency and accountability of these (studied) programs and their operations." They require that we objectively acquire and evaluate sufficient appropriate evidence in making recommendations, and that we maintain independence, practice intellectual honesty, and remain free of conflicts of interest. Our report will disclose all material facts known to us, that if not disclosed, could distort an appropriate understanding of the activities under review. General Accounting Standards presume that our commitment to the public interest is the highest value in drawing conclusions and reporting our findings. So while we have solicited your continuing input on findings and recommendations, we can assert that the findings of this report are based on our objective and independent viewpoint, and that we have clearly expressed any difference of opinion. In short, we can certify that this is an independent review.

This preliminary report provides more than one possible future staffing configuration for several of the Divisions studied, based on slight variation in assumptions and constraints. Each of these is clearly explained in the report.

CPS HR Consulting
Richard E. Mallory, Project Manager

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Executive Summary

Bureau Mission

As part of the Department of Consumer Affairs, the Bureau for Private Postsecondary Education (BPPE or Bureau) has been responsible for regulating private postsecondary educational institutions in California since 2010. The Bureau's mission is to promote and protect the interests of students and consumers through: a) The effective and efficient oversight of California's private postsecondary educational institutions; b) The promotion of competition that rewards educational quality and employment outcomes; c) Proactively combating unlicensed activity; and d) Resolving student complaints in a manner that benefits both the complainant student and future students.

Based on information provided up to January, 2015, this report provides an independent assessment of the staffing level requirements for its key operational units including Licensing, Compliance Inspection, Complaints Investigation, and administration of the Student Tuition Recovery Fund (STRF). It also provides a review of the Annual Report Submission and Review Process, which is a nascent but important function within BPPE, and its related review of Performance Fact Sheets. This report evaluates staffing needs to catch up work that is currently backlogged, and levels required to stay current and deal with anticipated future workloads.

While not called out specifically in each Division investigated, this study finds that the forced dependence on Limited Term (LT) positions has been a significant impediment to having sufficient fully-trained staff available to complete the work on hand, and is therefore a primary contributor to backlog in all program areas. Moreover, this study uniformly recommends the replacement of all current LT positions with Permanent Full Time, until the significant backlog of work is eliminated. This conversion of LT to Full-Time is also supplemented with recommendations for additional staff, where appropriate.

It should also be noted that since staffing levels sufficient to reduce and eliminate backlog and to stay current with existing work depend on authorized positions being filled[1], that all our computations of required positions have been factored by an average long-term position vacancy rate for all state agencies. It is a known fact that routine promotions, transfers, departures and extended leave status result in vacant authorized positions, and this routine vacancy factor must be accounted for if there is a serious commitment to resolving backlog and becoming current on all agency work.

Summary of Workload Review and Recommendations

This report recommends immediate staffing augmentation, as follows, in the following Units:

- Licensing: Add 0.5 OT, 1.0 SSA, 7 AGPA and 1 SSM I – **Total increase of 9.5 PY.**
- Quality of Education Unit: Remove one Limited Term ES – **Total decrease of 1 PY.**
- Compliance Inspections (with recommended 5 year timeline to be on schedule): Add 2.0 OT, 1.5 SSA, 8 AGPA, 1 SSM I – **Total increase of 12.5 PY;** or to be caught up in 2 years: Add 3.0 OT, 2.5 SSA, 11 AGPA, 2 SSM I – Total increase of 18.5 PY.

[1] The number of currently allocated, filled, and vacant staff was provided by Bureau Chief, Joanne Wenzel, as of 1-1-15.

- Complaint Investigation (with recommended 2/3 reduction): Add 0.5 OT, 5.5 SSA – **Total increase of 6.0 PY;** or without the reduction: Add 3 OT, 14 SSA, and 1 SSM I – Total increase of 18.0 PY.
- Administrative Unit recommendations are dependent on the percent of time staff is committed to certain program areas and total PY needed to catch up are presented in the main report.

This report also includes a list of proposed alternatives to be used in lieu of, or in combination with, the suggested augmentations in order to eliminate backlog and to bring the units current with current workflow within 2-5 years. Analysis for each change is provided.

Licensing

The Licensing Department receives, reviews, and approves or denies applications from schools requesting approval or renewal to operate the school, changes to business organizations, school name, school location, method of instruction, the addition of a separate branch, and verifications of exempt status. The Licensing unit currently has a staff of 17, including 6 Limited Term positions set to expire on June 30, 2016. In addition, the organization has used blanket funds to supplement staffing with an additional SSM I, 3 full-time AGPA's, 1 part-time AGPA, and 1 OT to assist in the workload. These positions will expire on June 30, 2015 and are not counted toward the authorized total.

At the time of this report[2], 594 applications were assigned/in progress, 275 were backlogged, an additional 87.1, on average, applications were being received each month. In contrast, the unit is completing an average of 86.7 applications per month with the processing time varying between 2 and 64 hours based on application type. The recommendation is to convert all existing limited term to permanent positions, fill the two vacant AGPA positions as permanent positions, and increase the authorized staff by one-half OT, one SSA and seven additional AGPA's positions. The change in staffing is presented in the following table.

Classification:	OT	SSA	AGPA	SSM I	SSM II	TOTAL PY
Recommended Number of PY Needed to catch up	**2.5**	**5**	**16**	**3**	**1**	**27.5**
Total Allocated Staffing: Perm/*Limited Term*	1	4	9	2	*1*	17
Permanent Filled	1	4	3	2	0	
Limited Term Filled	0	0	4	0	1	
Permanent *(Vacant)*	0	0	**1**	0	0	
Limited Term *(Vacant)*	0	0	**1**	0	0	
Net Change in staff to catch up:	**+1.5**	**+1**	**+9**	**+1**	**+0**	**+12.5**
Vacant positions to be filled	0	0	**2**	0	0	+2
Additional authorized positions needed	1.5	1	7	1	0	**+10.5**
Number of PY Needed after caught up	2	4	10	2	1	19

Alternatives

Since it is required that post-secondary institutions be licensed, any means of arbitrarily reducing the workload (i.e., number of institutions to be licensed) is not practical. In addition to converting the limited term positions to permanent positions and filling the existing positions, the most feasible means of improving the licensing work flow follows:

[2] Except for analysis of Complaints Investigations, operational data in this report is based on BPPE Operational Records updated to January, 2015. Within Complaints, data was updated up to June, 2014.

1. Continue to emphasize the work recently initiated by BPPE to provide training for institutions on properly completing licensing applications. This includes creating/providing training to institutions through classroom training, webcasts, and informational materials. Staff can also continue to update internal procedures to improve process flow.
2. Simplify the requirements of the Licensing process by including segments in the Annual Report process or Compliance Inspections. This will only be possible over a 1-2 year period.
3. Obtain legislative approval to reject Licensing applications when institutions cannot provide a complete, approvable application after two opportunities to correct deficiencies. Authorize BPPE to require response to licensing application correction requests within 30 days, and to issue denial when that response is not timely.

Quality of Education Unit

The Quality of Education unit, working closely with the Licensing Unit, reviews compliance of new or renewal applications for non-accredited institutions, and changes to educational objectives or instructional methods by non-accredited institutions. The current staff consists of one Education Administrator, three Senior Education Specialists, and three Education Specialists of which one is a vacant permanent position, and two are Limited Term (set to end on or before June 30, 2016) – one vacant and one filled. In addition, the organization has used blanket funds to supplement staffing with an additional OT to assist in the workload. This position will expire on June 30, 2015 and is not counted toward the authorized total.

At the time of this report, 91 applications were assigned/in progress, 41 were backlogged, an additional 7.7, on average, applications were being received each month. The unit is completing an average of 6.3 applications per month with the processing time averaging 56.9 hours per application. The recommendation is to add one OT, fill the vacant Education Specialist and make one of the two Limited Term Positions permanent, while letting the other one expire unfilled. The change in staffing is presented in the following table.

Classification:	Office Technician	Education Specialist/ Sr. Education Specialist	Education Administrator	TOTAL PY
Recommended Number of PY Needed to catch up	**1**	**5**	**1**	**7**
Total Allocated Staffing: Perm/*Limited Term*	0	4/*2*	1	7*
Permanent Filled	0	3	1	
Limited Term Filled	0	1	0	
Permanent *(Vacant)*		**1**		
Limited Term *(Vacant)*		**1**		
Net Change in staff to catch up:	**+1**	**+1**	**+0**	**+1**
Vacant positions to be filled	0	**+1**	0	1
Additional authorized positions needed	**1**	**0**	**0**	**1**
Number of PY Needed after caught up	1	3	1	5

*Recommendations include the elimination of 1 currently allocated Limited Term ES position – letting it expire unfilled but adding one OT position, resulting in the same total allocated 7 PY.

Alternatives

Since it is required that post-secondary institutions be licensed, any means of arbitrarily reducing the workload (i.e., number of institutions to be licensed) is not practical for the QEU Unit. In addition to converting one of the limited term positions to a permanent position and filling the existing vacant ES position, CPS HR presents the following alternatives for consideration in conjunction with the increased permanent staff:

- Internal procedures updated to improve process flow (currently in progress).
- Provide assistance to institutions including creating/providing classroom training, webcasts, and informational materials.

Compliance Inspections

Compliance Inspections are a part of the Enforcement Unit focusing on the completion of an announced and unannounced compliance inspection every five years at each of the 1,879 monitored institutions, as mandated by SB1247 CEC 94932.5(a). The current staff consists of two SSM I's, ten AGPA's, two SSA positions, and two OT's, of which one SSA and two AGPA's are currently vacant. The records were examined for most recent inspections and a schedule of inspection dates for the purposes of workload estimation was created. This revealed there are 659 overdue or immediately due inspections (due by 6-30-15), with approximately 300-400 anticipated scheduled inspections a year. This is depicted in the following table, with the acknowledgement that the number of unannounced inspections will increase once a timetable is established and the inspections start revolving on the 5 year timetable.

	Number of Institutions	
	Announced	Unannounced
Overdue/backlog	645	24
FY15-16	41	94
FY16-17	390	103
FY17-18	343	72
FY18-19	305	16
FY19-20	118	22
FY20-21	1	3
FY21-22	2	0
FY22-23	1	1
Grand Total	**1846**	**335**

The Compliance Inspection unit is completing an average of 21 inspections a month based on work records for the first four months of FY15-16, which implies capacity to complete 252 annually with current staffing – a number insufficient to respond to required work. The recommended number of employees for the Compliance Inspection Unit to catch up on overdue inspections and to maintain a legislatively mandated 5 year rotational schedule for inspections is presented in the following tables. One table shows catching up on all overdue Inspections within two years and the other assumes catching up in five years.

Comparison of Existing and Recommended Staffing to catch up in 2 years

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 2 yrs.	**5**	**4.5**	**21**	**4**	**34.5**
Total Allocated Staffing: Perm/*Limited Term*	2	2	10	2	16
Permanent Filled	2	1	8	2	
Limited Term Filled					
Permanent *(Vacant)*		**1**	**2**		
Limited Term *(Vacant)*					
Net Change in staff to catch up:	**+3**	**+3.5**	**+13**	**+2**	**+21.5**
Vacant positions to be filled		**1**	**2**		
Additional authorized positions needed	3	2.5	11	2	**+18.5**
Number of PY Needed after caught up	3	1.5	16	2	22.5

Comparison of Existing and Recommended Staffing to catch up in 5 years

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 5 yrs.	**4**	**3.5**	**18**	**3**	**28.5**
Total Allocated Staffing: Perm/*Limited Term*	2	2	10	2	16
Permanent Filled	2	1	8	2	
Limited Term Filled					
Permanent *(Vacant)*		**1**	**2**		
Limited Term *(Vacant)*					
Net Change in staff to catch up:	**+2**	**+2.5**	**+10**	**+1**	**+15.5**
Vacant positions to be filled		**1**	**2**		
Additional authorized positions needed	2	1.5	8	1	**+12.5**
Number of PY Needed after caught up	3	1.5	16	2	22.5

It must be noted that while catching up to Compliance Inspection requirements in five years **will not meet legislative requirements**, the approach may best reflect the practical reality of addressing such a large body of work in a fairly short period of time. Obtaining a current schedule within two years would require more than a doubling of staff which will raise significant logistical issues regarding hiring new personnel, providing space and equipment, and training. The strategy of coming into compliance over five years will require an adaptive approach by Bureau management, which will have more focus on schools that are new or have problem indicators. Imminent licensing review will also likely trigger priority Compliance Inspections. It is assumed that a pragmatic and balanced approach towards five-year compliance will best reflect program needs, but adoption of this strategy will also require concurrence and approval by representatives of Agency, the legislature, and the California State Auditor.

Alternatives

Postsecondary institutions can continue to function as long as they have one announced and one unannounced inspection every 5 years. This provides some flexibility in the scheduling of compliance inspections, but even with a 5 year rotational schedule – the Compliance Unit would need to double the

staff. In lieu of adding this level of recommended staffing, CPS HR presents the following alternatives for consideration:

- Simplify the requirements of the Compliance Inspection process by including segments in the Annual Report process. This will only be possible over a 1-2 year period.
- Internal procedures updated to improve process flow (currently in progress).
- Request modification in current legislative requirements so unannounced inspections are only required if the institution reaches a certain risk score during the announced inspection or via a series of deficiencies/concerns from other units (such as Complaint Investigation).

Complaint Investigations

The Complaint Investigations unit is a part of the Enforcement Unit focusing on investigating allegations against institutions including desk reviews of institution information, witness interviews, and on-site investigations, and determining an outcome based on evidence gathered. The staff consists of 2 SSM I's, 13 AGPA's, 4 SSA's, and 1 OT, including one SSM I and ten AGPA limited term positions set to expire on June 30, 2017, of which one permanent SSA and SSM I and two limited term AGPA's are vacant. In addition, the Bureau has supplemented staffing with one part-time AGPA and two part-time SSA's using blanket funds that will expire by June 30, 2015. These blanket covered positions were not included in the total authorized positions.

At the time of this report, 1,158 were backlogged and/or in progress (they are assigned within a day of receipt usually, but it is unlikely that they are all in progress), an additional 58.1 complaints, on average, were being received each month, while the unit is completing an average of 37.2 complaints per month, resulting not only in no progress being made toward the backlog numbers but approximately 21 complaints being added to the backlog total each month. In order to catch up within 2 years, the Complaints Investigations unit would need to complete approximately 2,646 investigations/conclusions within two years. The number of staff needed to catch up with the backlog and the projected number of complaints in this time frame is presented in the following table.

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 2 yrs.	**4**	**18**	**12**	**3**	**37**
Total Allocated Staffing: Perm/*Limited Term*	1	4	3/*10*	1/*1*	20*
Permanent Filled	1	3	3	0	
Limited Term Filled			8	1	
Permanent *(Vacant)*		**1**		**1**	
Limited Term *(Vacant)*			**2**		
Net Change in staff to catch up:	**+3**	**+15**	**+1**	**+2**	**+21**
Vacant positions to be filled		**1**	**1**	**1**	+3
Additional authorized positions needed	+3	+14	0	+1	**+18**
Number of PY Needed after caught up	2	10	7	2	21

*Recommendations include the elimination of 1 currently allocated Limited Term AGPA position – letting it expire unfilled, resulting in a new total allocated 19 PY.

Similar to the other units, in order to get caught up with backlog, it is recommended that one SSM I and nine of the ten AGPA existing limited term positions be converted to permanent positions and filled –

allowing the remaining limited term to expire unfilled. In addition to these existing positions, catching up would require one additional SSM I, 14 more SSA's and three more OT's.

Alternatives:

Currently, the number of complaints coming in is well beyond the staffing resources given the need to address every complaint that comes in with a full investigation. In addition to looking at staffing resources, the Complaints Investigation must restructure its complaint intake and initial prioritization, and adopt and test a system of prioritization. The following table presents the needed staffing to catch up on the backlogged and current complaints within two years with a 2/3rd reduction based on an assumed restructuring of the complaint investigation process with a prioritization of complaints received, so that only 1/3 of received complaints result in a need for the full investigative process.

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 2 yrs. with 2/3 reduction.	**1.5**	**9.5**	**9**	**1**	**21**
Total Allocated Staffing: Perm/*Limited Term*	1	4	3/*10*	1/*1*	20*
Permanent Filled	1	3	3	0	
Limited Term Filled			8	1	
Permanent *(Vacant)*		**1**		**1**	
Limited Term *(Vacant)*			**2**		
Net Change in staff to catch up:	**+0.5**	**+6.5**	**-2**		**+5**
Vacant positions to be filled		**1**	**-2**		-1
Additional authorized positions needed	0.5	5.5			**+6**
Number of PY Needed after caught up	0.6	5	4.5	0.5	10.6

*Recommendations include the elimination of 1 currently allocated Limited Term SSM I position either upon hire of the permanent SSM I or when it expires and more immediate elimination of 4 Limited Term AGPA position, of which 2 are currently filled, resulting in a new total allocated of 15 PY.

The recommendation to catch up within 2 years with a 2/3 reduction in workload is to fill the vacant SSM I and allow the Limited Term one to expire, convert six of the Limited Term positions to permanent while allowing the two vacant AGPA's to expire unfilled and either reallocating the two filled AGPA or leave them unfilled as they become vacant, and add an additional 5.5 SSA and 0.5 OT positions.

Discipline

The Discipline Unit is a part of the Enforcement Unit that focuses on the processing of citation or enforcement referrals received from the Complaints and Compliance Inspection Units. If a disciplinary citation results in the request for an Administrative Hearing, this unit corresponds with the Attorney's General office throughout the Hearing process. The current staff consists of 1 AGPA and 1 SSA, both of which are currently filled. In addition, the organization has used blanket funds to supplement staffing with an additional OT to assist in the workload. This position will expire on June 30, 2015 and is not counted toward the authorized total. A difficult part of the workload analysis of this work unit comes from the fact that while overall analysis shows the unit staffing allocation is sufficient, the work actually completed annually does not appear to match this need. Using the projected rate of completion calculated in this section we can only conclude that allocated staff positions have both been vacant and assigned staff has worked on reportable items for only approximately 852 hours annually. This is equivalent to only 45% of the available work time of a single SSA position, and is less than one full time PY. Management must resolve this problem in order to adequately respond to assigned work. As a

result, no additional SSA and AGPA staffing is recommended at this time. The OT position needs to be further assessed to determine the recommended PY needed to support the discipline unit. Additionally, Phase 2 of this analysis project will complete additional review of this unit to refine and improve its future business process.

Recommendations that may assist in improving unit processing time include the following:

- Internal procedures updated to improve process flow (currently in progress).
- Examine the necessity of the pre-set waiting periods, determine if any could reasonably be shortened through procedural change or through legislative modifications.

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 2 yrs.	**1**	**1**	**1**	**0**	**3**
Total Allocated Staffing: Perm/*Limited Term*	0	1	1	0	2
Permanent Filled		1	1		
Limited Term Filled					
Permanent *(Vacant)*					
Limited Term *(Vacant)*					
Net Change in staff to catch up:	**+1**	**0**	**0**		**+1**
Vacant positions to be filled					
Additional authorized positions needed	+1				**+1**
Number of PY Needed after caught up	1	1	1		3

Administrative Unit – STRF and Annual Reports

The BPPE Administrative Division has dual function including traditional administrative duties and program operations functions. Its operational functions include the review and approval of Student Tuition Recovery Fund (STRF) applications and the review of required Annual Reports and Performance Fact Sheets (AR-PFS) from licensed institutions. This staff consists of 1 SSM I, 2 AGPA's, 5 SSA's, and 3 OT's, of which 1 AGPA and 1 SSA are vacant. In addition, the Bureau has used blanket funds to supplement staffing with an additional 2 full-time and 1 part-time AGPA, 1 SSA, 1 OA, and 1 Seasonal Clerk to assist in the workload. These positions will expire on June 30, 2015 and are not counted toward the authorized total.

Within this Administrative unit, the STRF unit has 1 AGPA and 2 SSA positions dedicated to the processing of STRF claims, making up 30% of the staff (not including the SSM I or Seasonal Clerk), of which the two SSA positions are filled with regular staff. In addition, the STRF staff is currently supplemented by one SSA and a part time AGPA from the blanket fund positions.

As of records provided in January 2015, there were 152 STRF claims (in queue or with no status since receipt) in the backlog, 38 currently assigned claims, and a projected average of 279.7 new claims anticipated each year based on a 3 year historical average. Meanwhile, operational data reflected an average of 9.12 hours to complete each claim. The table below presents the recommended number of PY to be dedicated full time to processing STRF claims in order to catch up with the backlog and then once the backlog is eliminated. If the staff assigned to STRF claims is also working on other tasks, the number would need to be adjusted accordingly – for example, if the staff assigned is only working on it 50% of the time – then the number required would be doubled.

The STRF unit needs to be staffed with enough staff to cover the required 2.10 SSA and 0.30 AGPA PY to catch up on the claims within two years. This could be done with three SSA's able to commit 70% of their time and 1 AGPA able to commit 30% of their time exclusively to the STRF claims.

Classification:	SSA	AGPA	TOTAL PY
Recommended Number of Full-time PY Needed to catch up in 1 year	**2.10**	**0.30***	**2.40**
Total Allocated Staffing: Perm/*Limited Term*	2	1	3
Permanent Filled	2	0	
Limited Term Filled			
Permanent *(Vacant)*		**1**	
Limited Term *(Vacant)*			
Net Change in staff to catch up:	**0**	**+1**	**+1**
Vacant positions to be filled		**+1**	+1
Additional full-time PY needed	0	0	**0**
Number of PY Needed after caught up	1.2	0.2	1.4

*The 0.30 AGPA time reflects the portion of the 9.12 hours that was exclusive to the AGPA role in the EPT analysis. The AGPA also participates in the activities done by the 2.11 proposed SSA PY.

The process for receiving and reviewing the Annual Reports and Performance Fact Sheets (AR-PFS) is an evolving process. Based on operational records provided in January 2015, there were a total of 1,090 institutions listed required to submit an Annual Report. Meanwhile, staff provided estimations indicated the Annual Report review would take a once a year processing time of 1,935 minutes plus 28 minutes per report and an additional 410 minutes, on average, for the review of the Performance Fact Sheets. The table below presents the recommended number of PY to be dedicated to the review of the AR-PFS each year. Similar to the STRF projections, if the staff is assigned to other tasks (as expected), the number would need to be adjusted accordingly.

Classification:	SSA/AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to process AR-PFS each year	4.66	0.22	4.88

In addition to the total staffing numbers recommended for each position, CPS HR presents the following suggestions to assist in the processing of STRF and AR-PFS reviews.

- Continue to develop and refine internal procedures updated to improve process flow (currently in progress).
- Develop a training or webinar to train institutions on the requirements of the AR-PFS to reduce the number of deficient responses.
- Reduce repetitive reviewing by identifying institutions up for a compliance inspection or license renewal to ensure the information is only reviewed once.

Estimated Bureau Workload Recommendations for 'As-Is' Processes

Purpose

This report provides an analysis for each of the key operational programs within the Bureau, including Licensing, Compliance, Complaints, Discipline, STRF, and Annual Reports. It is based on close analysis of each as-is process, that was flowcharted and documented in a report presented to the Bureau on Sept. 15, 2014. Each section of this report presents a calculation of current processing time requirements based on a time per task analysis and an examination of estimated available work hours per employee. This information is used to estimate future staffing level requirements and recommendations based on as-is process configuration[3] in order to respond to current projections of need and to resolve any existing backlog in an expeditious and effective manner.

Methodology

A multi-faceted approach was used to collect measurable data in the calculation of work process requirements. The calculation of current work process requirements has some variation from unit to unit, but was generally derived as follows:

- Utilizing written procedures and subject matter expert feedback, a flow chart of the current "as-is", process was created within each unit as a part of the independent evaluation of Bureau processes. Staff was asked to estimate the average processing time[4] for key tasks on the flow chart;
- Average processing time was calculated from management records detailing received work requests, program output, and the calendar time spent in completing the work. This was correlated with the staff hours available during that time;
- Records were obtained from the Department of Consumer Affairs (DCA) indicating the number of hours spent per classification within each unit over a two year period including both work time and leave time;
- Completed Position Description Questionnaire Data was obtained from employees in the subject programs in which they estimated the percentage of time that is spent on mandated work unit outputs; and
- Audits of cases completed and supplemental workload surveys/staff work logs were used to provide in-depth and additional data sources to reconcile differences between the various data collection methods when necessary.

The calculation of future staffing requirements was derived from the following: 1) Calculation of the current workload and existing backlog; 2) An analysis of expected incoming work requests based on historical records of incoming work and work output; 3) The processing time calculated using the hours records from DCA adjusted for the time spent on mandated program work, and; 4) An

[3] This report is being prepared as an interim work product in January, 2015, for consideration as part of pending budget requests. This project will develop a better understanding of process re-engineering through value stream mapping that will be done in February and early March.

[4] Processing time was defined as the number of minutes spent actively working on the task. Survey instructions asked that reported time not include time spent waiting for action/client response. The report will refer to this as Estimated Processing Time or EPT since it is based on employee estimates only.

examination of current unit staff characteristics in terms of size, and if needed, the impact of how turnover and training time impacted processing time[5].

Recommendations for future staffing were established with the following considerations:

- Assumption that the time to process each work request remains consistent with the processing speeds calculated using the management records of previously completed work, documented hours worked, and staff input on current processing times.
- Assumption that the average number of work requests received on an annual basis is consistent with what has been received historically based on management provided records.
- Staffing need was calculated with a goal of catching up with the backlog and being current with incoming work requests within approximately two years, unless otherwise noted.

Any additional considerations or modified analyses required are described within each of the work unit sections.

Estimation of Staffing Availability by Program

The calculation of current work process requirements and the estimation of future staffing requirements are both dependent on a calculation of the available work year, and the percentage of that time that is used for mandated program work.

The available work year is a calculation of the amount of time, by classification, that staff is on-duty and in the office. It is calculated by taking the base work year (52 weeks per year and 40 hours per week – 2,080 hours) and adjusting it to remove annual leave, vacation, and sick leave. Overtime hours are disregarded in this calculation because the purpose of this study is to calculate the number of regular, full-time positions necessary to complete the work of the agency.

In this study, consultants obtained the actual staff time charged within the Bureau from DCA[6], including the number of regular hours, holiday time, and leave time of all types. In order to calculate the average **available work year (AWY)** for each class, the entire work year of 2,080 hours was factored by the percentage of **available work hours[7] (AWH)** (the work hours minus leave) per class within each unit. Overall across all units, the average percent of leave taken by the core staff[8] was 11.5%, resulting in an AWY of 88.5%, or an average of 1,840.8 AWH per employee, per year.

The calculated available work year was then adjusted to estimate the number of hours spent on activities directly impacting the department's mandated program work (e.g., processing applications, complaints, etc.) as opposed to administrative work and other non-program activity. The available **program work hours** (PWH) was calculated by factoring the available work year by a percentage determined by an analysis of Position Description Questionnaires filled out by each staff member documenting the time spent on unit work versus administrative work (e.g., meetings, record keeping,

[5] A complete and in-depth explanation of methodology will be included in the final report associated with this project, and that is expected by March 30.

[6] Records provided covered November 2012 to October 2014, a period that includes one fiscal year and two partial fiscal years. The hours were divided into working time (regular hours on the clock, excluding overtime and excess hours) and non-working time (paid leave/non-paid time off). A table showing this data source is available in the supplement to this report.

[7] Number of working time hours/Total hours documented

[8] Does not include Chief, CEA, SSM II, or Seasonal Clerks

filing, etc.) The following tables present a summary of the overall percentage of time spent as working hours (% AWH), percentage spent on program work (% PW), and the resulting available hours spent on mandated program activities (PWH) per employee within each classification for Fiscal Year 2013-2014. The staff that had not completed a PDQ at the time of this report show N/A in the %PW column and the available mandated program working hours reflect annual working time across all activities. [9]

Table A-1: Licensing

	%AWH	%PW	PWH
Office Tech	91.2%	45.0%	853.6
SSA	88.3%	87.8%	1612.6
AGPA	90.6%	83.6%	1575.4
SSM I	90.8%	61.5%	1161.5
SSM II	92.8%	N/A	1930.2

Table A-2: QEU Unit

	%AWH	%PW	PWH
QEU Admin	96.2%	N/A	2001
QEU Spec/Sr. Spec	91.9%	95.8%	1831.2

Table A-3: Compliance

	%AWH	%PW	PWH
Office Tech	91.6%	87.5%	1667.1
SSA	69.6%	60.0%	868.6
AGPA	90.0%	93.8%	1755.9
SSM I	87.2%	60.0%	1088.3

Table A-4: Complaints

	%AWH	%PW	PWH
Office Tech	87.1%	75.0%	1358.8
SSA	90.8%	93.6%	1767.8
AGPA	91.1%	87.5%	1658.0
SSM I	97.0%	82.0%	1654.4

Table A-5: Discipline

	%AWH	%PW	PWH
Office Tech	(vacant)		
SSA	93.8%	90.0%	1755.9
AGPA	89.8%	85.0%	1587.7

[9] The annual report process is still in development, however PDQ's showed approximately 159.9 Office Tech hours (8.3%), 184.7 SSA hours (9.8%), and 271.8 AGPA hours (14.7%) are spent on activities related to the annual report.

Table A-6: STRF

	%AWH	%PW	PWH
SSA	91.6%	38%	724.0
AGPA	93.1%	14.0%	271.1

It can be observed that the number of program work hours for the SSA and AGPA staff who are most focused on single program assignments varies from 1,575 hours per year up to 1,767 hours – roughly 75-85% of all payroll hours. The time spent by managers and OTs with broader responsibilities are far lower. The program hours available by classification and program are used to determine how many staff in each classification is necessary to meet program workload requirements and then factored appropriately to estimate the number of staff required to complete the work.

Work Process Requirement Calculation Methodology

The PWH are used in further calculations to determine work process requirements. Calculation of the staffing and workload requirements must be based on a calculation of labor requirements, which depends on a calculation of the processing time per action. There are two primary means used in this review to estimate processing time per action. First is a calculation of **current processing time** (CPT) that is based on actual operational records including documented hours and number of completed mandated program outputs during the same time period. Second is a calculation of the **estimated processing time** (EPT) that is obtained from subject matter expert estimates of time spent on each type of task or task process. While the Current Processing Time is generally considered more reliable as an end-to-end measure of process time, the Estimated Processing Time is considered as a reflection of the proportional time spent in different process task groups and better reflects any recent procedural changes. Wherever large discrepancies in the reported times exist, this study supplemented its approach and performed case reviews or conducted supplemental workload surveys. Any additional analyses and the corresponding results are described in more detail within the unit report in which it was used.

The next sections look at the individual units to assess processing rates with current staff and projected staffing needed to bring each department up to date within approximately two years.

Program Unit Reports

Licensing

The Licensing Department receives, reviews, and approves or denies applications from schools requesting approval or renewal to operate the school, changes to business organizations, school name, school location, method of instruction, the addition of a separate branch, and verifications of exempt status. The Licensing unit currently has a staff of 18, including 6 Limited Term positions set to expire on June 30, 2016. In addition, the organization has used blanket funds to supplement staffing with an additional SSM I, 3 full-time AGPA's, and 1 part-time AGPA to assist in the workload. These positions will expire on June 30, 2015 and are not counted toward the authorized total.

Calculation of Work Process Requirements – Current Processing Time

The Current Processing Time within the Licensing Unit was calculated using operational performance data to estimate the average processing time per application for each classification by looking at the number of applications completed and the number of hours used during the corresponding period of time. For Licensing, the current processing time was calculated using the work log and staffing hours for the two year period from November 2012 to October 2014. These work records showed a total of 2,081[10] applications being completed during this period, including the Abandoned, Approved, Denied, Withdrawn, Exempt, Ineligible for Renewal, and those that were complete but just waiting approval from another agency. The total number of working hours per classification across all incumbents was factored by the percentage dedicated to mandated program work in order to estimate the number of program work hours (PWH) spent on the 2,081 applications. The results of this analysis are shown in Table L-2 below. Meanwhile, the records indicated a total of 2,091 applications being received during this time (after removing the Add Satellite location requests), resulting in a deficiency of 5 applications a year being added to the existing 869 unfinished applications – of which 275 have not been assigned despite a recent, and temporary, increase in staffing as discussed below.

The total number of regular hours for the Licensing Unit over the two year period (including the Staff Services Manager I, Associate Government Program Analysts, Staff Services Analysts, and Office Technicians) was 60,709.22, of which 54,199.67 were working hours, including regular time but not overtime or excess time, or approximately 27,099.84 working hours per year. This is equivalent to approximately 14.6 Personnel Years (PY) per year. Breaking it down by classification, the Licensing Unit had an average of approximately 1.7 SSM I, 7.9 AGPA, 3.3 SSA, and 1.7 OT staff per year. The factored staffing levels in Licensing over two years appears in Table L-1.

[10] Total after removing 249 non-substantive changes requiring minor actions/minimal attention. These were included in the operational data as "add satellite" applications due to system requirement for an application type prior to allowing any changes. A survey of staff indicated these took from 10 to 180 minutes, averaging approximately 25 minutes.

Table L-1: Projected PY by time of fiscal year.

	Projected Number of PY per year[11]				
	OT	SSA	AGPA	SSM I	Total PY
Hours from Nov. 2012 to June 2013	1.9	2.3	5.2	1.1	10.5
Hours from July 2013 to June 2014	1.3	4.2	8.9	1.6	16.0
Hours from July 2014 to Oct. 2014	2.2	2.5	10.5	3.3	18.5

While there is an apparent increase in staffing from year to year, we are also aware that there is annual turnover from the loss of limited term (LT) positions. For example, of the 12 LT positions hired in Licensing since 1/1/14, four left during the year (within an average of 159.8 days after starting). The most recent time period shows an increase in staffing, with 23 current employees, although six are limited term set to expire June 30, 2016 and five are administratively authorized and paid with blanket funds which will expire on June 30, 2015.

While not a specific focus of this analysis, this study has observed that the learning curve of new specialized staff in Licensing is such that a rapid turn-over is a major detriment to employee productivity. We therefore conclude that the forced dependence on LT positions has been a significant impediment to having a sufficient number of fully-trained staff available to complete the work on hand, and is therefore a primary contributor to the application backlog. **As a result this study recommends the replacement of all LT positions with Permanent Full Time, until the significant backlog of work is eliminated, in addition to supplemental staff as described below.**

The following table shows the two initial approaches to estimating work hours per licensing application. It includes the total working hours (including overtime and excess time), the percentage of time spent in program work, the program work hours, and the resulting average number of hours spent on each application per classification. It is noted that the processing times for different application types, with some taking longer than the two year sample period, are addressed later and are not reflected in these overall averages. This method resulted in an average CPT of 20.56 hours of work time being spent on each application.

[11] When using the partial year's reported hours, the number of PY was extrapolated out with the assumption of the hours remaining consistent for the remaining months from that fiscal year.

Table L-2: Calculated processing times per application

Classification	AWY hours for Nov 12 to Oct'14	% PW	PWH for all reported employees	**CPT:** Avg. # hours per application (based on 2,081 apps)	**EPT:** Avg. Hours for key tasks from Workflow Analysis[12]
SSM I	6,496	61.5%	3,995.04	1.92 hours	12 min (without QEU process)
AGPA	30,420.16	83.6%	25,431.25	12.21 hours	4,188 minutes; approx. 69.8 hours (69.3-denials; 70.3-approvals) without QEU process
SSA	12,079.50	87.8%	10,605.80	5.09 hours	
OT	6,190.75	45%	2,785.84	1.34 hours	68 minutes
TOTAL	**55,186.41**		**42,817.93**	**20.56 hours**	**71.13 hours**

Calculation of Work Process Requirements – Estimated Processing Time

The Estimated Processing Time method relies on subject matter expert judgments based on the day to day work being completed. Each member of the staff completed a workflow analysis document asking them to identify the number of minutes spent processing key tasks within the Licensing process, resulting in an overall time frame of approximately 71.1 hours spent per application. The average time per class is also presented in Table L-2 above. There is a notable discrepancy between the CPT of 20.6 hours of work estimated based on the operational data and the EPT of 71.1 hours per application with the largest discrepancy within the estimated hours for the AGPA and the SSA staff. There are numerous possible explanations for the discrepancy, although it seems most likely that staff may have over-estimated time based on recollections of work done on the most difficult applications. The unit manager agreed, and speculated that time estimates may have been reflective of the backlogged applications, which represent the (non-accredited license) applications with the longest processing times.

However, further clarification was needed. The discrepancy was discussed with the Licensing SSM II and two key considerations were developed. First, there is a great variation in time based on the type of application. Analysis of the operational records revealed that the applications completed during the assessed period from November 2012 to October 2014 took anywhere from 0 days (completed the day it came in) to just over 4 years (1,517 days), with non-accredited school applications estimated to require the preponderance of labor hours. Many of the backlogged applications are from non-accredited agencies and would take longer to address than the average processing time calculated in Table L-2 above. However, without knowing how much actual staff time is spent on these and other types of applications, compared to time waiting for institution response or staff availability, this knowledge is not sufficient to reconcile the differences between the CPT and EPT data. The second issue is the consistent turnover resulting from the use of limited term positions, and time it takes from existing trained staff to train the new staff. This is of more concern as it implies that a significant amount of the applied labor

[12] Based on estimations for backlogged applications

hours were required for teaching and learning, and may not create a basis of accurate future projections. This is addressed further in the future projections segment of the unit report.

In order to reconcile the two sources, the Licensing SSA's, Licensing AGPA's and QEU Education Specialists filled out a supplemental workload survey for a full week[13]. This was based on a work log that recorded the number and type of applications worked on, the specific process phase, and the percent of the process phase completed based on the time spent[14]. This method was devised to gather a snapshot of the program work hours required to complete the various application types.

A total of 14 Licensing staff (11 AGPA and 3 SSA) completed this work log. Staff reported a total of 310 applications assigned/in progress, of which 96 received some form of action during the logged week. However, once the data was cleaned up, 62 applications had sufficient data to calculate projected processing times[15]. The results of these calculations are summarized in Table L-3 which depicts the number of minutes each application type required for both SSA's and AGPA's under the assumption that the complexity level could vary between classifications. This total processing time was calculated by summing the time spent in each of the following three process segments for each class, or when data was not available for one of the classes – an average processing time when combining both classes was used[16]. The Licensing process was divided into three distinct segments as follows:

a) **Initial Review:** Time spent from receiving the application and corresponding materials to sending the first deficiency letter.
b) **Subsequent Communications/Review:** Review of response from first (and any subsequent) deficiency letters up to the completion of the review where there is sufficient information to make a recommendation.
c) **Drafting/Mailing Approved Recommendation**: Time spent making/drafting a recommendation from the completion of review through mailing the final approval/denial letter after manager approval.

Table L-3: Adjusted Processing Times by Application Type

Application Type	Average Processing Times	
	SSA	AGPA
Addition of a Separate Branch	**440 min. (7.3 hrs.)**	**740 min. (12.3 hrs.)**
Approval to Operate an Accredited Institution	**803.5 min.**	**1,029.9 min.**

[13] The supplemental survey was conducted from Jan. 12- Jan.16. While a longer period would have been preferred, time was limited by the need to produce timely results for budgeting consideration. It was assumed, however, that having the entire work group complete the survey for a short period would give the same kind of sampling diversity as having a smaller group report over an extended period. In other words, the approach is believed to be an acceptable means of reconciling the difference between CPT and EPT.

[14] A copy of this work log in addition to a summary of the responses is available in a supplement report containing supporting analyses/information.

[15] The projected processing time was only able to be calculated on cases where the ending percentage completed was higher than the baseline percentage and time spent to get from one to the other was provided. When feasible, if the baseline was larger or missing, the difference between documented advancements was used. Acknowledging that there were instances in which additional research was needed and the completion percentage actually decreased from baseline, it was not feasible to include these cases in the projections and this type of case should be monitored in future projections when a longer evaluation of time spent is feasible.

[16] A full breakdown by processing segment is depicted in the supplemental report materials.

Application Type	Average Processing Times	
	SSA	AGPA
	(13.4 hrs.)	**(17 hrs.)**
Approval to Operate an Institution Non-Accredited	**3,841.6 min. (64 hrs.)**	**3,841.6 min. (64 hrs.)**
Change in Method of Instructional Delivery	**115.2 min. (1.9 hrs.)[1]**	**115.2 min. (1.9 hrs.)[1]**
Change of Business Organization/Control/Ownership	**134.2 min. (2.2 hrs.)[1]**	**134.2 min. (2.2 hrs.)**
Change of Educational Objective	**845 min. (14.1 hrs.)**	**845 min. (14.1 hrs.)**
Change of Location	**132.8 min. (2.2 hrs.)[1]**	**132.8 min. (2.2 hrs.)[1]**
Change of Name	**83.8 min. (1.4 hrs.)[1]**	**83.8 min. (1.4 hrs.)[1]**
Renewal for Approval to Operate an Accredited Institution	**425 min. (7.1 hrs.)**	**447.1 min. (7.5 hrs.)**
Renewal for Approval to Operate an Institution Non-Accredited	**3,360 min.[2] (56 hrs.)**	**3,360 min.[2] (56 hrs.)**
Verification of Exempt Status	**355.4 min. (5.9 hrs.)[1]**	**355.4 min. (5.9 hrs.)[1]**
OVERALL	**1,394.2 min. (23.2 hrs.)**	**3,572 min. (59.5 hrs.)**

[1] Total calculated using Little's Law due to insufficient data to make a projected process time calculation. Little's Law was developed by John D. Little, a PhD and former professor at Massachusetts Institute of Technology, who found that time in process is equal to the amount of work in process divided by the average rate of completion.

[2] Consulting with the Licensing SSM II, the original estimate of 3,841.6 minutes was too high due to new staff and SSA's being assigned to current non-accredited renewals. The new total was determined using the non-accredited approval rate and the ratio that the accredited approval/renewal.

Our review of this Adjusted Processing Time (APT) data by application type concludes that it is reasonable, and appears consistent and reliable. For example, the 3,360 minutes calculated for an Approval to Operate a Non-Accredited Institution converts to 56 hours which is between the CPT and EPT, and is approximately 27% less that the 71.13 hours for Estimated Processing Time[17]. As a result this section will utilize the APT as the most reliable data source.

Future Staffing Projection

Based on its appearance of reasonability, the APT result was extrapolated to estimate the processing time for each of the application types and factored into the number of backlogged and anticipated new applications of each type. The number of anticipated application assignments per class were derived from the ratio of assignment between SSA and AGPA's for the same type of application as currently assigned. The time needed to process this workload was estimated using primarily the APT calculated for the specific class as presented in Table L-3, or the APT when combining the SSA/AGPA data in those

[17] The Division Chief stated that Estimated Processing Time was based on the time required to process a non-accredited licensing applications. Given the natural human tendency to overestimate the time necessary to complete tasks, as a natural hedge against failure, an 11% over-estimate seems plausible and expected.

instances where there was insufficient data to calculate a class specific processing time. In the event that there was insufficient data to calculate an APT for SSA/AGPA combined, Little's Law (George, 2003) was applied using the operational data to estimate a rough processing time. Given the close alignment between the CPT and EPT for the Staff Services Manager I's and Office Technicians, no additional workload analyses were required and the CPT was used in further analysis for these classes.

In order to estimate the needed staffing level to catch up with the backlog and become current within two years, the analytical method used herein begins by computing the workload requirement for the next two years, including the existing applications and the projected incoming applications. Historical records from January 1, 2011 to December 31, 2014 were consulted to determine the average number of applications and the ratio of application types received per year. The records indicated an average of approximately 1,121 applications received per year. This was used, in conjunction with the historical ratios of each type of application, to identify a projected number of annually expected applications in each application type, which is presented, in addition to those currently assigned or awaiting assignment (backlog), in Table L-4. Additionally, the ratio of each type of application assigned to each class, as identified by the work log records, was applied to the number of backlog and projected incoming to project how many of each type would be assigned to each classification.

Table L-4: Current and projected workloads

	# in Backlog	#currently Assigned[18]	Projected Incoming/Year	APT (min)
Addition of a Separate Branch	None	SSA – 7 AGPA – 17 Other – 3	**7.0% of apps** SSA – 35 AGPA - 44	SSA – 440 AGPA – 740
Approval to Operate an Accredited Institution	SSA – 4 AGPA – 1	SSA – 31 AGPA – 3	**9.8% of apps** SSA – 96 AGPA – 14	SSA – 803.5 AGPA – 1020.9
Approval to Operate an Institution Non-Accredited	SSA – 2 AGPA – 69	SSA – 5 AGPA – 82 Other – 37	**8.5% of apps** SSA – 2 AGPA – 93	SSA – 3841.6 AGPA – 3841.6
Change in Method of Instructional Delivery	None	SSA –10 AGPA – 4 Other - 9	**2.8% of apps** SSA – 25 AGPA – 6	Little's Law Calculation: SSA/AGPA: 112 min; 1.9 hours
Change of Business Organization/Control/Ownership	None	SSA – 9 AGPA – 16 Other - 6	**6.7% of apps** SSA – 33 AGPA – 42	Little's Law Calculation: SSA/AGPA: 189.9 min; 3.2 hours
Change of Educational Objective	SSA – 14 AGPA – 3	SSA – 36 AGPA – 12 Other – 49	**21.2% of apps** SSA – 200 AGPA – 38	SSA – 845 AGPA – 845
Change of Location	None	SSA – 5	**4.4% of apps**	Little's Law

[18] Of the 145 marked "Other" not included in the hourly estimations - 126 are currently assigned to the QEU unit or enforcement and the remaining 19 are primarily on the SSM I/II desks. The time spent by QEU will be addressed in its on unit report, and the remaining adds up to less than 40 hours total time across two years.

	# in Backlog	#currently Assigned[18]	Projected Incoming/Year	APT (min)
		AGPA – 13 Other - 5	SSA – 17 AGPA – 33	Calculation: SSA/AGPA: 135.9 min; 2.3 hours
Change of Name	None	SSA – 5 AGPA – 9 Other - 3	**3.7% of apps** SSA – 23 AGPA – 18	Little's Law Calculation: SSA/AGPA: 123.6 min; 2.1 hours
Renewal for Approval to Operate an Accredited Institution	SSA – 1	SSA – 48 AGPA – 1 Other - 3	**8.7% of apps** SSA – 91 AGPA – 7	SSA – 425 AGPA – 447.1
Renewal for Approval to Operate an Institution Non-Accredited	SSA – 20 AGPA – 137	SSA – 20 AGPA – 77 Other – 25	**10.5% of apps** SSA – 15 AGPA – 103	SSA/AGPA – 3,360
Verification of Exempt Status	AGPA – 24	SSA – 1 AGPA – 39 Other – 5	**16.6% of apps** AGPA - 186	Little's Law Calculation: AGPA: 418.9 min; 7 hours
TOTAL	**275**	**594**	**1121**	

In order to estimate the number of needed staff, the total number of minutes/hours needed per application type was used to calculate the total PWH requirements including: 1) the total amount of time needed to address the backlog (not assigned), 2) the total time to address currently assigned applications[19], and 3) the time to process the projected number of new applications as depicted in Table L-4 above. However, given that we are assuming the backlog will be reduced over two years, our initial projection of workload must also span two years. So the projected number of new applications needs to be doubled in the initial summation of hours required.

The CPT for the Office Technician and Staff Services Manager I were used for all application types, while the APT for each application type for the SSA and AGPA classifications were multiplied by the number of backlog, currently assigned, and two years' worth of anticipated applications[20]. The resulting number of PWH was then adjusted backwards to identify the number of full time employees that would be required to catch up within two years, and divided by two to identify the annual requirement. A summary of the hours needed per class per year is presented in Table L-5[21].

[19] Those in process/partially done were assigned a rough estimated processing time using 50% of the calculated time needed with the assumption that some would be further along and some would be in the beginning of the process still.

[20] The source believed to be most accurate is always used for the process time estimate, as noted in methodology.

[21] A full breakdown of the calculation with the corresponding number of applications and processing times can be found in the supplemental report documenting supporting materials.

Table L-5: Needed Personnel to catch up on applications within two years.

Classification	OT	SSA	AGPA	SSM I
Total Needed PWH per year	1,885.38	7620.29	23120.49	2,701.44
Total Needed AWY	4,189.73	8679.15	27656.09	4,392.59
Total Hours per year	4,594.01	9829.16	30525.48	4,837.65
Number of PY Needed	2.21	4.73	14.68	2.32

The current staff consists of 17 authorized positions – 1 SSM II, 2 SSM I's, 9 AGPA's, 4 SSA's, and 1 OT but is currently filled with 1 SSM II (LT exp. 6-30-16), 2 SSM I's, 7 AGPA's (3 permanent and 4 LT exp. 6-30-16[22]), 4 SSA's, and 1 OT. In order to meet the minimal staffing recommendations to complete applications that are currently backlogged and currently assigned, along with projected applications over the next two years, the Licensing Unit would need a total of approximately 2 OT, 5 SSA, 15 AGPA, 2 SSM I, and 1 SSM II authorized positions. It is noted that the current authorized staff of 17 contains 6 limited term positions, which are not expected to remain for the full two years projected due to the confines of limited term appointments. In order to assist with the number of hires, that need to be made, it is recommended that the limited term positions immediately be made permanent as a first step[23]. The unit can then open a recruitment to fill the currently vacant AGPA positions. However even with the current staff and limited term positions converted to Permanent, the Licensing Unit would not be able to keep up with the incoming applications, or to address any of the backlogged applications. In addition to currently authorized positions, the Licensing Unit would need one additional SSA and six more AGPA's in order to meet the workload requirements.

The numbers calculated above reflect the *minimum number* of staff needed. In consideration of the average state vacancy rate[24] it is recommended that the number of authorized positions account for turnover and unfilled positions so that the filled positions meet the minimum calculated workload requirement. . Applying this to the minimum number above, the final recommended number of employees for the Licensing Unit for the next two years is presented in Table L-6 below along with the number of employees that would be required to maintain current status once the backlog has been addressed.

[22] The position is granted for three years, but any individual can only work a maximum of two years – meaning it has a minimum of 2 different employees filling this position IF it is staffed full time resulting in multiple hiring/training processes occurring during the duration of the position.

[23] The use of Limited Term staff reduces the effectiveness of a business unit due to time spent on hiring and training the limited term staff instead of on program mandated work.

[24] The state vacancy rate is the difference between the number of authorized positions and those that are actually filled at any point in time. It is variously reported at about 10%. However a comprehensive study conducted was performed by CPS HR in 2012, based on a study of all California State filled positions from 2009 to 2011. This study found that 12% of all authorized positions statewide are vacant. So when estimating how many staff are needed to complete a given amount of work, an increase that reflects vacancy will always need to be included or the defined work will not be completed.

Table L-6: Comparison of Existing and Recommended Staffing

Classification:	OT	SSA	AGPA	SSM I	SSM II	TOTAL PY
Recommended Number of PY Needed to catch up	**2.5**	**5**	**16**	**3**	**1**	**27.5**
Total Allocated Staffing: Perm/*Limited Term*	1	4	9	2	*1*	17
Permanent Filled	1	4	3	2	0	
Limited Term Filled	0	0	4	0	1	
Permanent *(Vacant)*	0	0	**1**	0	0	
Limited Term *(Vacant)*	0	0	**1**	0	0	
Net Change in staff to catch up:	**+1.5**	**+1**	**+9**	**+1**	**+0**	**+12.5**
Vacant positions to be filled	0	0	**2**	0	0	+2
Additional authorized positions needed	1.5	1	7	1	0	**+10.5**
Number of PY Needed after caught up	2	4	10	2	1	19

Overall, the recommendation is to convert all existing limited term to permanent positions, fill the two vacant AGPA positions as permanent positions, and increase the authorized staff by one and a half OT, one SSA, seven AGPA, and one SSM I position. It is recommended that the unit allow attrition to reduce staffing once the backlog is caught up in two years, and that the use of LT positions be avoided.

Quality of Education Unit

The Quality of Education unit, working closely with the Licensing Unit, reviews compliance of new or renewal applications for non-accredited institutions, and changes to educational objectives or instructional methods by non-accredited institutions. The current staff consists of one Education Administrator, three Senior Education Specialists, and three Education Specialists of which one is a vacant permanent position, and two are Limited Term (set to end on or before June 30, 2016) – one vacant and one filled. In addition, the organization has used blanket funds to supplement staffing with an additional OT to assist in the workload. This position will expire on June 30, 2015 and is not counted toward the authorized total.

Calculation of Work Process Requirements

The QEU process is a sub-process within the Licensing function. The Current Processing Time within the QEU was calculated using operational performance data to estimate the average processing time per application. This calculation looked at the number of applications completed and the number of hours used during the corresponding period of time. These applications are a subset of the Licensing applications that were forwarded to the QEU for compliance verification prior to being approved/denied by the Licensing analyst. For QEU, the current processing time was calculated using the management provided work records and staffing hours for the two year period from November 2012 to October 2014. These work records showed a total of 151 applications being approved, denied, abandoned, or withdrawn by the QEU staff during this time. They also showed a total of 185 applications being sent to the Educational Queue or being assigned but not yet complete during this time frame, resulting in a deficiency of approximately 17 applications a year. The total number of working hours for the Education Specialists, Senior Education Specialists, and a part time AGPA were combined to get the total number of hours required for analysts, and the admin. position was totaled separately. The number of hours across all incumbents was factored by the percentage dedicated to program time in order to estimate

the number of program work hours (PWH) spent on the 151 applications. The results of this analysis are shown in Table Q-2 below.

The total number of hours for the QEU over the two year period (including the Education Specialists, Senior Education Specialists, AGPA, and Education Admin.) was 21,760 hours, of which 20,006 were working hours, including regular time but not overtime and excess time, or approximately 10,003 working hours, or 5.2 Personnel Years (PY), per year. Breaking it down by classification, the QEU had an average of 4.8 ES/Sr. ES/AGPA and 0.4 Admin staff per year. Table Q-1 shows the three-year trend of PY based on payroll hours in the QEU unit.

Table Q-1: Projected PY by FY based on Reported Hours

	Projected Number of PY per year[25]		
	Admin	ES/Sr. ES/ AGPA	Total PY
Hours from Nov. 2012 to June 2013	0.0	4.8	4.8
Hours from July 2013 to June 2014	0.9	4.3	5.2
Hours from July 2014 to Oct. 2014	0.0	6.2	6.2

Moving beyond the number of staff, the following table shows the total working hours including overtime and excess hours, the percentage of time spent in program work, the program work hours, and the resulting average number of hours spent on each application per classification. It is noted that the processing times for different application types, with some taking longer than the two year sample period, are addressed later and are not reflected in these overall averages. This method resulted in an average CPT of 122.3 hours of work time being spent on each application.

Table Q-2: Calculated processing times per application

Classification	AWY hours for Nov 12 to Oct'14	% PW	PWH for all reported employees	**CPT:** Avg. # hours per application (based on 151 apps)	**EPT:** Avg. Hours for key tasks from Workflow Analysis[26]
ES, Sr. ES, AGPA	18,191	91.9%	16,717.5	110.7 hours	3,414 min (56.9 hours)
Educ. Admin.	1824	96.2%	1754.7	11.6 hours	No data available
TOTAL	**20,015**		**18,472.2**	**122.3 hours**	**56.9 hours**

Calculation of Work Process Requirements – Estimated Processing Time

The Estimated Processing Time method relies on subject matter expert judgments based on the day to day work being completed. Each member of the staff completed a workflow analysis document asking them to identify the number of minutes spent processing key tasks within the Quality of Education

[25] When using the partial year's reported hours, the number of PY was extrapolated out with the assumption of the hours remaining consistent for the remaining months from that fiscal year.
[26] Based on estimations for backlogged applications

process, resulting in an overall time frame of approximately 56.9 hours spent per application. This time reflects only the analyst time estimates as shown in table Q-2 above, as the tasks for the admin were minimal and not assessed as key contributions to the overall processing time during the workflow analysis. There is a notable discrepancy between the analyst time CPT of 110.7 hours of work estimated based on the operational data and the EPT of 56.9 hours per application.

There are numerous possible explanations for the resulting discrepancy. Similar to the Licensing Unit, there was a great variation in the time based on the type of application, ranging from 0 days (completed the day it came in) to just over 1.5 years (560 days) in the operational records during the two year assessed period, with an average processing time of just under half a year (174.5 days) for the QEU segment of the process. It is also possible that generalized work, such as reviewing procedures, doing research, or creating special reports is reflected within this total time.

As described in the Licensing Unit section, in an effort to reconcile the two processing time estimations, the QEU Education Specialists filled out a supplemental workload for a full week to gather a snapshot of program work hours required to complete the various application types. A total of 4 Education Specialists completed this work log. Staff reported a total of 73 applications assigned/in progress, of which 17 received some form of action during the logged week. However, once the data was cleaned up, 15 applications had sufficient data to calculate projected processing times within at least one of the process segments (see footnote 16 on page 20).

The results of these calculations are summarized in Table L-3 which depicts the number of minutes each application type required for both SSA's and AGPA's under the assumption that the complexity level could vary between classifications. This total processing time was calculated by summing the time spent in each of the following three process segments for each class, or when data was not available for one of the classes – an average processing time when combining both classes was used[27]. The Licensing process was divided into three distinct segments.

The results of these calculations are summarized in Table Q-3 which depicts the number of minutes each application type required. This total processing time was calculated by summing the time spent in each of the following three process segments:

a) **Initial Review:** Time spent from receiving the application and corresponding materials to fully understand the changes and/or necessary scope of review.
b) **Subsequent Communications/Review:** Conducting the review for compliance with procedure.
c) **Drafting/Mailing Approved Recommendation**: Time spent making/drafting a recommendation from the completion of review through mailing the final approval/denial letter after manager approval.

[27] A full breakdown by processing segment is depicted in the supplemental report materials.

Table Q-3: Adjusted Processing Times by Application Type

Application Type	Average Processing Time
Approval to Operate an Institution Non-Accredited (For Subsequent Review and Recommendation Segments Only)	**1,767 min.** **(29.5 hrs.)**
Change in Method of Instructional Delivery (for Recommendation Segment Only)	**169.7 min.** **(2.8 hrs.)**
Change of Educational Objective (For Subsequent Review and Recommendation Segments Only)	**1,126.3 min.** **(18.8 hrs.)**
Renewal for Approval to Operate an Institution Non-Accredited (For Subsequent Review Segment Only)	**1,200 min.** **(20 hrs.)**
OVERALL AVERAGE: **(For Subsequent Review and Recommendation Segments)**	**Subsequent Review Segment:** **612.7 min (10.2 hrs.)** **Recommendation Segment:** **881.2 min (14.7 hrs.)**

The review of the Adjusted Processing Time (APT) data by application type for the Subsequent Review and Recommendation segments are reasonable and relatively consistent with the EPT estimates. For example, the average processing time for the Subsequent Review and Recommendation segments based on the work logs was 24.9 hours (1493.9 min) while the same area on the EPT was 22.3 hours (1336 min). Based on the similarity to the EPT, the future staffing projections will utilize the EPT of 56.9 hours, which includes the initial review not assessable in the work APT, per application as the best available estimate of processing time.

Future Staffing Projection

In order to estimate the number of needed staff, the total number of hours needed per application was used to calculate the total PWH requirements including: 1) the total amount of time needed to address the backlog (not assigned), 2) the total time to address currently assigned applications, and 3) the time to process the projected number of new applications based on the average number received across historical records from January 1, 2011 to December 31, 2014. Consulting the management provided work records, there were a total of 41 unassigned applications in the backlog, 91 currently assigned applications, and a projected average of 92.5 new applications anticipated each year[28]. However, given that it is assumed the backlog will be reduced over two years, the projection of workload must be made for two years and then halved. So the number of projected new applications is doubled in this calculation. Additionally, it was assumed that the applications currently assigned were 50% done on average. This resulted in the following equation to determine the number of PWH needed to process the applications for the next two years.

- TOTAL PWH = (56.9 hrs.*41 *backlog*) + (56.9*185 anticipated new applications over 2 years) + (56.9*91 *in process*50%).

This calculation resulted in a total of 15,448.35 Program Work Hours (PWH) needed to process applications over the next two years. The calculated PWH was then adjusted backwards to identify the

[28] Determined by counting applications assigned to staff currently listed as education specialists as a rough estimate.

number of full time employees that would be required to catch up within two years, and divided by two to identify the annual staffing requirement. A summary of the hours needed per year is presented in Table Q-4.

Table Q-4: Projected workload staffing requirements

	Workload Estimations
Total PWH for two years	15,448.35 hours
Total Needed PWH per year	7,724.175 hours
Total Needed AWY	8,062.81 hours
Total Hours per year	8,773.46
Number of PY Needed	4.22 PY

The current staff consists of 7 authorized PY – 1 Education Administrator, 3 Senior Education Specialist, and 3 Education Specialists (two are Limited Term set to end by June 30, 2016) and it is currently staffed with 1 Education Administrator, 3 Senior Education Specialists, and 1 Limited Term Education Specialist. In addition, the Bureau has used blanket funds to supplement staffing with an additional OT to assist in the workload. This position will expire on June 30, 2015 and is not counted toward the authorized total. In order to meet the minimal staffing recommendations to complete the current backlogged, currently assigned, and projected applications over the next two years, the Quality of Education Unit would need to maintain the current staffing level of 4 Education Specialists/Senior Education Specialists with the Limited Term being replaced by the authorized permanent ES upon hire and the addition of one OT. With these changes to staff, the unit would be able to be caught up or close to caught up by the end of the two years.

The numbers calculated above reflect the minimum number of staff needed. Consideration of the statewide vacancy rate (see footnote 24 on page 24) requires that the recommended number of authorized positions account for turnover and unfilled positions so that the remaining staff meets the minimum workload requirements Applying a 12% vacancy factor to the minimum number above results in the final recommended number of employees for the Quality of Education Unit for the next two years that is presented in Table Q-5 below. This table also shows the number of employees that would be required to maintain current status in the unit once the backlog has been addressed.

Table Q-5: Comparison of Existing and Recommended Staffing

Classification:	Office Technician	Education Specialist/ Sr. Education Specialist	Education Administrator	TOTAL PY
Recommended Number of PY Needed to catch up	**1**	**5**	**1**	**7**
Total Allocated Staffing: Perm/*Limited Term*	0	4/*2*	1	7*
Permanent Filled	0	3	1	
Limited Term Filled	0	1	0	
Permanent *(Vacant)*		**1**		
Limited Term *(Vacant)*		**1**		
Net Change in staff to catch up:	**+1**	**+1**	**+0**	**+1**
Vacant positions to be filled	0	**+1**	0	1
Additional authorized positions needed	**1**	**0**	**0**	**1**
Number of PY Needed after caught up	1	3	1	5

*Recommendations include the elimination of 1 currently allocated Limited Term ES position – letting it expire unfilled but adding one OT position, resulting in the same total allocated 7 PY.

It is noted that the current staff includes two Limited Term positions that cannot be assumed to be retained for the full two years to meet this demand. The recommendation is to convert one of the two Limited Term positions to Permanent, and fill the vacant Education Specialist to meet the staffing requirements to address the backlog. Based on workload calculations, the second authorized Limited Term ES can remain unfilled until it expires. Acknowledging the calculations are based on more limited data records, it is recommended that the Quality of Education Unit have 5 authorized positions including 1 Education Administrator, 3 Education Specialists/Senior Specialists, and 1 Office Technician once the backlog is addressed.

Compliance Inspection Unit

Compliance Inspections are a part of the Enforcement Unit focusing on the completion of an announced and unannounced compliance inspection every five years at each of the 1,879 monitored institutions (after removing the closed and exempt institutions). Compliance Inspections may be conducted at the main, satellite, and branch locations. The frequency of inspections is mandated by SB1247 CEC 94932.5(a), which recently changed requiring each institution to have one announced and one unannounced inspection every five years, replacing the prior requirement requiring one announced and one unannounced inspection every two years. The current staff consists of two SSM I's, ten AGPA's, two SSA positions, and two OT's, of which one SSA and two AGPA's are currently vacant.

Calculation of Work Process Requirements – Current Processing Time

The approach for calculating the current work process requirements for Compliance Inspection is based on the completion of a calculation of Current Processing Time and Estimated Processing Time, as seen in Table CI-1. The operational inspection data records obtained showed inspections assigned from mid-February to December 2014. Since the administrative procedure and protocol used for Compliance

Inspection was re-written and standardized during 2014, this analysis focused on the most recent time period, from July 2014 to October 2014[29] in which we have the corresponding number of hours used from DCA time records. As a result of this smaller time frame, data was extrapolated out to represent annual processing times.

The total number of hours spent for the Compliance Inspection Unit over the four month period (including the Staff Services Manager I, Associate Government Program Analysts, Staff Services Analysts, and Office Technicians) was 11,452 of which 9,940 were working hours, including regular time but not overtime and excess time. For this four month period, the Compliance Unit utilized 0.56 SSM I, 3.77 AGPA, 0.38 SSA, and 0.79 OT PY. If staffing levels remained consistent for the duration of the fiscal year – the unit will use a total of 16.52 PY (1.68 SSM I, 11.33 AGPA, 1.14 SSA, and 2.37 OT) per year. The total number of working hours per classification across all incumbents was factored by the percentage dedicated to program time in order to estimate the number of program work hours (PWH) spent on the 83 inspections completed during this four month period according to the unit work records. Table CI-1 below shows the total working hours including overtime and excess hours, the percentage of time spent in program work, the program work hours, and the resulting average number of hours spent on each inspection per classification. This illustrates the number of estimated hours spent on activities directly related to the processing of compliance inspections.

Table CI-1: Calculated processing times per inspection

Classification	AWY hours for July' 14 to Oct 14	% PW	PWH for all reported employees	**CPT:** Avg. # hours per inspection[30] (based on 90 apps)	**EPT:** Avg. Hours for key tasks from Workflow Analysis
SSM I	1,048	60%	628.8	6.99 hours	206 min – approx. 3.4 hours.
AGPA	7,034	93.8%	6,597.89	76.62 hours (combining AGPA/SSA hrs.)[31]	2,780 min. approx. 46.3 hours.
SSA	496	60%	297.6		683 min. – approx. 11.4 hours IF NTC issued.
OT	1,408	87.5%	1,232	13.69 hours	488 minutes, approx. 8.1 hours
TOTAL	**9,986**		**8,756.29**	**97.3 hours**	**Approx. 57.9 hours with No NTC; OR 69.3 hours with NTC issued**

*Of the 90 inspections, 52 elicited a need for the Notice to Comply requiring additional steps.

The resulting Current Processing Time (CPT), as determined by the four month average, was approximately 97.3 hours

[29] Compliance Inspection procedures were reported to have been rewritten in early 2014, and only implemented in a standardized format after July 1.
[30] Total completed based on unit records of approved scheduled inspections.
[31] There was no SSA for a majority of the assessed period, with the AGPA's covering the responsibilities so it was determined the best estimate combined both AGPA and the limited number of SSA hours to get an overall Analyst average processing time.

Calculation of Work Process Requirements – Estimated Processing Time

The Estimated Processing Time method relies on subject matter expert judgments based on the day to day work being completed. Each member of the staff completed a workflow analysis document asking them to identify the number of minutes spent processing key tasks within the Compliance Inspection process, resulting in an overall time frame of approximately 57.9 hours per inspection when the school was in compliance or 69.3 hours when adding the NTC hours spent for non-compliant institutions. The average time per class is also presented in Table CI-1 above. There is a notable discrepancy between the CPT of 97.3 hours of work estimated based on the operational data and the EPT of 57.9 to 69.3 hours per inspection. There are numerous possible explanations for the discrepancy, including the inflation of hours for the CPT due to multiple investigators going out on inspections during part of this time period for training purposes, the EPT being based on key activities to prepare/conclude the inspection – but not the time spent on site. Due to the omitted assessment of time spent on site and discussion with the unit manager indicating the estimates from the workflow analysis are not the best representation, it was determined that the CPT of 97.3 hours would be used.

Future Staffing Projection

Unlike Licensing where the influx of applications is dependent on discretionary actions of the institutions, compliance inspections are more predictable and depend on mandated numbers of visits to each licensed institution within a 5 year period. In examining a list of institutions provided by the compliance manager in January 2015, there are a total of 1,976 institutions listed, of which 78 have notations indicating closed status and 19 were exempt resulting in a list of 1,879 institutions to be regularly inspected. Many of the institutions did not have either an announced or unannounced inspection on file, despite the approval date being expired, while others had an announced, but not an unannounced visit, or occasionally vice versa. In order to estimate the number of inspections required each year with regard to the new 5 year requirement, the list was examined and a tentative expected due date for both announced and unannounced was determined using the following assumptions[32].

- If the institution did not have an announced or unannounced inspection on record, and the approval date expired prior to 2015 – they were assigned a due date of 1/1/15 (i.e. – as soon as possible). (These overdue CI's are alternately referred to as "backlogged", even though the intent is to now get each school on a schedule of visits that complies with the new requirement, even if they have not been in the past.)
- If the institution had either announced or unannounced, but not the other AND the approval date expired prior to 2015 – make the missing inspection date the same as the provided one to start the 5 year clock on both of these. For example, if the announced was completed 3/1/13 and it was set to expire 4/1/14 – make the 5 year period start on the date of the last inspection for both types making both an announced and unannounced due by 3/1/18.
- If the institution had either announced or unannounced AND the approval has NOT expired:
    - If the expiration is in 2015 and the completed inspection was in 2014 – make both inspection dates the same to start the 5 year rotational clock since the CI would have

[32] While the number conducted each year is a discretionary decision by the Bureau, the minimum five year total is fixed. This report estimates a uniform chronological distribution of only the required numbers in order to best support level staffing requirements and compliance with law.

VERY recently visited the school and another inspection before the end of 2015 is not practical;
    - If the expiration is in 2015 and the completed inspection was before 2014 – make the other inspection due by the expiration date since it would have been more than a year between the prior inspection and the approval expiration;
    - If the expiration is after 2015 – make the missing inspection date equivalent to the approval expiration date.
- If the institution approval expiration date is after 2015, the dates of the past inspection were either retained or if there was a missing one – it was made equivalent to the expiration date.

After applying these organizational guidelines to obtain a due date for both announced and unannounced inspections with consideration to the new 5 year requirement instead of 2 year requirement, the following table reflects the number of inspections anticipated over the next 5 years (after which, they would start to recycle). These dates were only determined for the purposes of projecting the workload and are not intended to replace any dates or strategies in progress by the Compliance Inspection Unit for assigning such dates in the future. A summary of the projected dates is presented in Table CI-2.

Table CI-2: Estimated Number of Inspection Due Dates by Year

	Number of Institutions	
	Announced	Unannounced
Backlog	645	24
FY15-16	41	94
FY16-17	390	103
FY17-18	343	72
FY18-19	305	16
FY19-20	118	22
FY20-21	1	3
FY21-22	2	0
FY22-23	1	1
Grand Total	**1846**	**335***

*If the Announced and Unannounced were due the same day, only the announced is shown in the totals above. Once the timetable is more established, there will be an increase in the number of unannounced.

In order to estimate the needed staffing level to catch up with the backlog and become current within two and a half years, the CPT was multiplied by the number of inspection due dates that were overdue ("backlogged")[33] or due in FY15-16 and FY16-17. A total of 1,076 announced and 221 unannounced inspections are projected to be due by the end of FY16-17 to ensure that each of the institutions whose approval was set to expire before or by the end of FY16-17 had at least one inspection documented. Conducting both an announced and unannounced within such a short period did not appear necessary given the number of institutions needing inspections in the short duration. Using the CPT, the total number of PWH needed to complete the two years of inspections was determined for each classification. The resulting number of PWH was then adjusted backwards to identify the number of full

[33] The inspection due dates that fell from January – June of 2015 were included in the backlogged numbers.

time employees that would be required to catch up within two and a half years, and divided by two and a half to identify the annual requirement. A summary of the hours needed per class per year is presented in Table CI-3.

Table CI-3: Needed Personnel to catch up on compliance inspections within two and a half years.

Classification	OT	AGPA (incl. SSA duties)	SSM I
Total Needed PWH per year	7,102.37	39,750.46	3,626.41
Total Needed AWY	8,117.00	42,377.88	6,044.02
Total Hours per year	8,661.35	47,086.54	6,931.21
Number of PY Needed	4.25	22.64	3.33

The current staff consists of 16 authorized PY – two SSM I's, ten AGPA's, two SSA's and two OT's and is currently staffed with two SSM I's, eight AGPA's, one SSA, and two OT's – one SSA and two AGPA positions are currently vacant. In order to meet the minimal staffing recommendations to complete the current backlogged and projected inspections over the next two and a half years to the end of FY 16-17, the Compliance Inspection Unit would need to fill approximately 1 more SSM I, more AGPA, 2 more SSA (based on assumption of 19 AGPA and 4 SSA's needed to maintain the current ratio of SSA/AGPA authorized positions), and 2 more OT PY in addition to filling the existing vacancies.

The numbers calculated above reflect the minimum number of staff needed. Consideration of the statewide vacancy rate (see footnote 24 on page 24) requires that the recommended number of authorized positions account for turnover and unfilled positions so that the remaining staff meets the minimum workload requirements. Applying a 12% vacancy factor to the minimum number above results in the final recommended number of employees for the Compliance Inspection Unit for the next two and a half years is presented in Table CI-4 below along with the number of employees that would be required to maintain current status once the backlog has been addressed. In order to establish an up to date rotating schedule of inspections within 2.5 years, it is recommended to request authorization to fill an additional 3 OT, 3.5 SSA, 13 AGPA, and 2 SSM I's in addition to filling the current vacancies for a total of 34.5 PY. Once the backlog has been addressed and a more routine rotation has been established, it is recommended that the Compliance Inspection Unit maintain a staff of 22.5 PY (2 SSM I, 16 AGPA, 1.5 SSA, and 3 OT's) to maintain current on the compliance inspections.

Table CI-4: Comparison of Existing and Recommended Staffing to catch up in 2 years

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 2 yrs.	**5**	**4.5**	**21**	**4**	**34.5**
Total Allocated Staffing: Perm/*Limited Term*	2	2	10	2	16
Permanent Filled	2	1	8	2	
Limited Term Filled					
Permanent *(Vacant)*		**1**	**2**		
Limited Term *(Vacant)*					
Net Change in staff to catch up:	**+3**	**+3.5**	**+13**	**+2**	**+21.5**
Vacant positions to be filled		**1**	**2**		
Additional authorized positions needed	3	2.5	11	2	**+18.5**
Number of PY Needed after caught up	3	1.5	16	2	22.5

Alternatively, given the change in regulation from a 2 to a 5 year rotational schedule, it could be reasonably expected to catch up and be on a more routine schedule within 5 years. The number of PWH hours, converted to number of PY, to catch up with the 1,842 announced and 331 unannounced inspections by the end of FY19-20 is presented in Table CI-5.

Table CI-5: Minimum Needed Personnel to catch up on compliance inspections within 5 years.

Classification	OT	AGPA (incl. SSA duties)	SSM I
Total Needed PWH per year	5,949.67	33,299.05	3,037.85
Total Needed AWY	6,799.63	35,500.06	5,063.09
Total Hours per year	7,423.17	39,444.51	5,806.39
Number of PY Needed	3.56	18.96	2.79

With consideration to the current staff size, in order to meet the minimal staffing recommendations to complete the current backlogged and projected inspections over the next five years, the Compliance Inspection Unit would need to fill approximately one more SSM I, 6 more AGPA, 1 more SSA (based on current ratio of SSA/AGPA authorized positions), and 2 more OT positions in addition to the current vacancies. Taking the state vacancy rate into consideration, the summary of changes needed to current staff to meet this same deadline is presented in Table CI-6. In order to establish an up to date rotating schedule of inspections within 5 years, it is recommended to request authorization to fill an additional 2 OT, 1.5 SSA, 8 AGPA, and 1 SSM I in addition to filling the current vacancies for a total of 28.5 PY. Once the backlog has been addressed and a more routine rotation has been established, the Compliance Inspection Unit would require 22.5 PY as described above.

Table CI-6: Comparison of Existing and Recommended Staffing to catch up in 5 years

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 5 yrs.	**4**	**3.5**	**18**	**3**	**28.5**
Total Allocated Staffing: Perm/*Limited Term*	2	2	10	2	16
Permanent Filled	2	1	8	2	
Limited Term Filled					
Permanent *(Vacant)*		**1**	**2**		
Limited Term *(Vacant)*					
Net Change in staff to catch up:	**+2**	**+2.5**	**+10**	**+1**	**+15.5**
Vacant positions to be filled		**1**	**2**		
Additional authorized positions needed	2	1.5	8	1	**+12.5**
Number of PY Needed after caught up	3	1.5	16	2	22.5

It must be noted that while catching up to CI requirements in five years **will not meet legislative requirements**, the approach may best reflect the practical reality of addressing such a large body of work in a fairly short period of time. Obtaining a current schedule within two years would require a tripling of staff which will raise significant logistical issues regarding hiring new personnel, providing space and equipment, and training. The strategy of coming into compliance over five years will require an adaptive approach by Bureau management, which will have more focus on schools that are new or have problem indicators. Imminent licensing review will also likely trigger priority Compliance Inspections. It is assumed that a pragmatic and balanced approach towards five-year compliance will best reflect program needs, but adoption of this strategy will also require concurrence and approval by representatives of Agency, the legislature, and the California State Auditor.

It is noted that significant changes in the conduct of Compliance Inspections are conducted and how many personnel going out on these visits has occurred throughout 2014. While several means of accounting for changes were investigated, no more valid indicator of time that the CPT was found, and so it has been retained without modification for estimating workload requirements.

Complaint Processing Unit

Complaint Processing is a part of the Enforcement Unit focusing on investigating allegations against institutions. This includes desk reviews of institution information, witness interviews, on-site investigations, and determining an outcome based on evidence gathered. Possible outcomes include closure without action, the issuance of a citation, or referral to the Discipline Unit for a Citation or Enforcement action. This latter course of action is discussed further in the Discipline Unit section. The current Complaint Processing staff consists of 2 SSM I's, 13 AGPA's, 4 SSA's, and 1 OT, including one SSM I and ten AGPA limited term positions set to expire on June 30, 2017, of which one permanent SSA and SSM I and two limited term AGPA's are vacant. In addition, the Bureau has supplemented staffing with one part-time AGPA and two part-time SSA's using blanket funds that will expire by June 30, 2015. These blanket covered positions were not included in the total authorized positions.

Calculation of Work Process Requirements – Current Processing Time

The Current Processing Time within the Complaints Processing Unit was developed from operational performance data that was used to estimate the average processing time per complaint for each

classification. This was done by looking at the number of complaints completed and the number of hours used during the closest corresponding period of time. For Complaints, the current processing time was calculated using work records and staffing hours for the 20 months from November 2012 to June 2014[34]. The work records indicated a total of 743 complaints were closed during this time period. The total number of hours for the Complaints Processing Unit over the 20 month period (including the Staff Services Manager I, Associate Government Program Analysts, Staff Services Analysts, and Office Technicians) was 38,841.50, of which 34,474.50 were working hours, including regular time but not overtime or excess time. This is equivalent to an average of 11.2 PY per year. Table C-1 shows the three-year trend of PY based on payroll hours in the Complaint Investigation unit.

Table C-1: Projected PY by FY based on Reported Hours

	Projected Number of PY per year[35]				
	OT	SSA	AGPA	SSM I	Total PY
Hours from Nov. 2012 to June 2013	1.2	5.5	2.8	1.2	10.7
Hours from July 2013 to June 2014	1.1	5.5	4.0	0.9	11.5
Hours from July 2014 to Oct. 2014	1.2	5.6	9.6	2.0	18.4

The total number of working hours per classification across all incumbents was factored by the percentage dedicated to program time in order to estimate the number of program work hours (PWH) spent on the 743 complaints. The results of this analysis, including the total working hours with overtime and excess hours, the percentage of time spent in program work, the program work hours, and the resulting average number of hours spent on each complaint per classification, are shown in Table C-2 below. It should be noted that there are three different work paths for complaints. Path 1 is a minor complaint, and is at least initially assessed as one that does not have significant monetary impact on a student nor to involve a large number of students. Paths 2 and 3 are believed to have monetary impact or involve a large number of students, and both go to field investigation. The primary difference is that Path 2 starts with an AGPA investigation while Path 3 starts with an SSA investigation to be solved administratively and escalates to an AGPA for a field investigation upon discovery of further violations or concerns during the administrative review. Depending on the results of the investigation, Path 1 can be resolved, referred to an AGPA (i.e., it becomes Path 3), or for formal discipline while Paths 2 and 3 are either resolved or referred for formal discipline. Meanwhile, the records indicated a total of 1,161 complaints being received during this time, resulting in a deficiency of 418 complaints or approximately an average of 251 a year being added to the existing backlog of unfinished complaints (at 1,158 complaints as of mid-June 2014).

[34] It was not completely possible to align the two. The hours used reflected the period from November 2012 to June 2014, while the work records were about 2 weeks behind that, from mid-October 2012 to mid-June 2014.

[35] When using the partial year's reported hours, the number of PY was extrapolated out with the assumption of the hours remaining consistent for the remaining months from that fiscal year.

Table C-2: Calculated processing times per application

Classification	AWY hours for Nov 12 to June 14	% PW	PWH for all reported employees	**CPT:** Avg. # hours per inspection (based on 743 complaints)	**EPT:** Avg. Hours for key tasks from Workflow Analysis
SSM I	3,200	82.0%	2,624	3.53 hours	299 min – approx. 5.0 hours.
SSA	16,906.50	93.6%	15,824.48	21.30 hours	**Path 1: SSA only** 2091 min approx. 34.85 hours
AGPA	11,268.25	87.5%	9,859.72	13.26 hours	**Path 2: AGPA only** 1426.5 min; approx. 23.8 hours
SSA/AGPA					**Path 3: SSA→AGPA** 3882 min; approx. 64.7 hours
OT	3,472	75%	2,604	3.50 hours	22 minutes
TOTAL	**34,846.75**		**30,912.2**	**41.59 hours per complaints**	**Path 1: 40.2 hours** **Path 2: 29.13 hours** **Path 3: 70.07 hours**

The resulting Current Processing Time (CPT) was approximately 41.59 hours of work per complaint on average.

Calculation of Work Process Requirements – Estimated Processing Time

The CPT is based on overall payroll hours and completed past complaint processes, regardless of the type of complaint process. The Estimated Processing Time method relies on subject matter expert judgments based on the day-to-day work being completed. Each member of the staff completed a workflow analysis document asking them to identify the number of minutes spent processing key tasks within the Complaints process. Unlike the CPT which was based on overall processing times with consideration to payroll hours and total completed complaints, the EPT resulted in three different processing times depending on the type of process followed. The complaints handled by the SSA through administrative investigations are reflected as Path 1, taking a little bit longer than the complaints handled by the AGPA investigations. The AGPA investigations typically include administrative and field investigations, and are considered Path 2. Path 3 is reflective of investigations initially assigned to an SSA for processing and then referred to an AGPA upon discovery of further violations requiring AGPA investigation. The complaints follow one of the three paths, so unlike the prior sections where the time from all classes was added to get a total processing time, the EPT has 3 different processing times depending on the path. The resulting process times ranged from 29.13 to 70.07 hours, with an average of 46.28 hours. This is only about 11.5% higher than the calculated processing time, and as mentioned before, there is a natural human tendency to overestimate the time necessary to complete tasks as a natural hedge against failure. Given the similarity between the CPT and EPT's, the less-subjective CPT will be used as the representative average processing time for further analysis.

It is also highly relevant to our later recommendations to note that Path 1 investigations, even though presumed to be of lower urgency and risk, are still given a large commitment of time (35-40 hours) that is devoted to broad research of the school and its good standing, and further documentation of the complaint.

Future Staffing Projection

The estimated future staffing projection, and staffing recommendation for Complaints Investigation will follow a somewhat different path than was done for Licensing and for Compliance Inspection. This is the result of an observation that the defined complaint process may have poor program design. For example, it was confirmed that all complaints receive an extensive initial investigation, and check multiple sources for school good standing and for potential vulnerability in other venues, despite the fact that the complaint could be isolated, minor, or without basis. Additionally, program staff has advised us that most complaints go to field investigation, even though a minority of such investigations result in any kind of sanction. Table C-3 shows the number of cases referred to Citations and to the Attorney General by fiscal year in addition to the number of complaints that were completed that year (since discipline referral occurs at the end of the standard complaint process). It is noted that the discipline referrals could come from either complaints or compliance so the percentage shown reflects the maximum ratio of complaints requiring discipline if one were to assume that all the referrals received that year were from complaints. Looking across the three years assessed, on average, a maximum of 10.8% of complaints resulted in a discipline referral. Due to the small percentage that resulted in sanctions, future staffing requirements must assume a better job of allocating resources to complaints with the largest potential consequences, then establish a risk assessment process to identify the level of staff attention required for incoming and backlogged complaints[36]. Ultimately, improvements in the Licensing review and Compliance Inspection processes should result in earlier detection of non-compliance, which should reduce the number of valid complaints filed.

Table C-3: Frequency of complaints escalating to sanctions

	FY11 12	FY12 13	FY13 14*
Number of Complaints completed (including referrals)	399	497	459
Number of Complaints received by Citations	21	34	25
Number of Complaints received by Attorney General	9	34	27
Max percent of completed complaints referred to sanction	7.5%	13.7%	11.3%

*Covers July 1, 2013 to June 9, 2014 – slightly less than 1 FY.

In addition to looking at the discipline work records, unit management identified statistics for the full FY13-14 including 772 complaints received (compared to 706 from the partial FY work records), of which 35 went to citations, 0 went to the Attorney General, 10 went to DCA's Complaint Resolution Program, and 52 utilized Path 3 in which the SSA did the initial review and then based on their findings, forwarded it to an AGPA for further investigation. Comparing these numbers to the 459 complaints closed from July 1/2013 to June 9, 2014, approximately 18.9% needed additional investigation (7.6% went to enforcement while 11.3% went to path 3 requiring additional AGPA review after initial SSA review – thus taking up more time). This is only an approximation as the total complaints completed reflects slightly less than a year and the stats provided by unit management reflects the full FY13-14. In examining both

[36] For example, non-minor complaints are now assumed to be any which potentially could involve significant dollar impact or to affect multiple students. The Bureau could easily reduce the majority of complaints that follow this route by requiring both criteria, or by devising an administrative process to do a simple administrative screening of complaints by a three-party teleconference.

the work records and the numbers provided by the unit, the general picture presents that approximately 1 in 5 (or less) require additional investigation and/or disciplinary sanctions.

As a result of the above, this study presents the staffing requirements for urgent and serious complaints by factoring the existing complaint workload by an assumed 2/3rds reduction when considering that 80% (or more) of complaints may not need the additional analysis or lead to discipline. It also builds on the assumption that complaints of apparent consequence but uncertain validity can be referred either to the existing compliance inspection process or to the nascent Annual Report review process[37]. As a point of comparative reference, the staffing that would be required without this reduction is also presented.

As a starting point for this kind of workload factor, the staffing required to catch up and become current within two years considering all backlogged and current complaints was calculated, followed by how long it would take to catch up on the most critical complaints, while allowing lesser complaints to be addressed during compliance inspections. The estimated time to complete the backlogged, current, and anticipated complaints was calculated by multiplying that number by the average processing time to resolve them, considering each classification involved. The average number of incoming complaints was determined using historical records from May 31, 2011 to May 30, 2014, resulting in an average of 744 complaints per year. A total of 2,646 complaints would need to be processed in two years to be caught up. A summary of the hours needed per class per year is presented in Table C-4. Once adjusted to account for the statewide average vacancy rate of 12% (see footnote 24 on page 24), the needed staff hours per classification is presented in Table C-5.

Table C-4 – Minimum needed Complaints Investigation Personnel to catch up within two years

Classification	OT	SSA	AGPA	SSM I
Total Needed PWH per year	4,630.50	28,179.90	17,542.98	4,670.19
Total Needed AWY	6,174	30,106.73	20,049.12	5695.35
Total Hours per year	7,088.40	33,157.19	22,007.82	5.871.50
Number of PY Needed per year	3.41	15.94	10.58	2.82
Number of PY after adjusting for average state vacancy rate	3.82	17.85	11.85	3.16

37 While 2/3rds appears arbitrary, it is reflective of the 1/3 of projected staff time needed to process the 20% (or less) of complaints requiring further analysis and/or sanctions with an additional 10-15% of the time spent on other legitimate program needs, including the prioritization of all incoming complaints.

Table C-5: Needed Complaints Investigation Personnel to catch up (State vacancy rate considered)

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 2 yrs.	**4**	**18**	**12**	**3**	**37**
Total Allocated Staffing: Perm/*Limited Term*	1	4	3/*10*	1/*1*	20*
Permanent Filled	1	3	3	0	
Limited Term Filled			8	1	
Permanent *(Vacant)*		**1**		**1**	
Limited Term *(Vacant)*			**2**		
Net Change in staff to catch up:	**+3**	**+15**	**+1**	**+2**	**+21**
Vacant positions to be filled		**1**	**1**	**1**	+3
Additional authorized positions needed	+3	+14	0	+1	**+18**
Number of PY Needed after caught up	2	10	7	2	21

*Recommendations include the elimination of 1 currently allocated Limited Term SSM I position either upon hire of the permanent SSM I or when it expires and more immediate elimination of 4 Limited Term AGPA position, of which 2 are currently filled, resulting in a new total allocated of 15 PY.

Similar to the other units, in order to get caught up with backlog within two years, it is recommended that one SSM I and nine of the ten AGPA existing limited term positions be converted to permanent positions and filled – allowing the remaining limited term to expire unfilled. In addition to these existing positions, catching up would require one additional SSM I, 14 more SSA's and three more OT's. This would result in almost double the current staff levels. Once the backlogged complaints are processed, the Complaints Unit would need to maintain a staff level of 21 PY including two SSM I, seven AGPA, ten SSA, and two OT PY to remain current on incoming complaints,

Alternatively, by applying the 2/3rds reduction to the 2,646 backlogged, current, and anticipated complaints as discussed above, the total number of higher priority complaints to be processed in order to be caught up would be reduced to 882. The processing time per complaint on these utilized the SSA/AGPA EPT from Path 3 since CPT was not separated by process type and Path 3 is more reflective of the difficult complaints being retained for immediate processing[38]. With this reduction, the complaint investigation unit would need 2 additional staff to catch up on the higher priority complaints once considering the average state vacancy rate. The breakdown of hours and staff numbers by classification for this alternate situation are presented in Tables C-6 and C-7, respectively.

Table C-6 – Minimum requirement to catch up within two years with a 2/3 workload reduction

Classification	OT	SSA	AGPA	SSM I
Total Needed PWH per year	1543.5	15051.33	13481.37	1556.73
Total Needed AWY	2058.0	16080.48	15407.28	1898.45
Total Hours per year	2362.8	17709.78	16912.49	1957.17
Number of PY Needed per year	1.14	8.51	8.13	0.94
Number of PY after adjusting for average state vacancy rate	1.28	9.53	9.10	1.05

[38] It is noted that this estimate may still be a little high as Path 3 accounted for both SSA/AGPA review and there may have been some duplicative review occurring. When breaking the Path 3 time down by SSA and AGPA, SSA had 34.1 hours and AGPA had 30.6 hours.

Table C-7: Needed Personnel to catch up with state vacancy rate considered with 2/3 reduction

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 2 yrs. with 2/3 reduction.	**1.5**	**9.5**	**9**	**1**	**21**
Total Allocated Staffing: Perm/*Limited Term*	1	4	3/*10*	1/*1*	20*
Permanent Filled	1	3	3	0	
Limited Term Filled			8	1	
Permanent *(Vacant)*		**1**		**1**	
Limited Term *(Vacant)*			**2**		
Net Change in staff to catch up:	**+0.5**	**+6.5**	**-2**		**+5**
Vacant positions to be filled		**1**	**-2**		-1
Additional authorized positions needed	0.5	5.5			**+6**
Number of PY Needed after caught up	0.6	5	4.5	0.5	10.6

*Recommendations include the elimination of 1 currently allocated Limited Term SSM I position either upon hire of the permanent SSM I or when it expires and more immediate elimination of 4 Limited Term AGPA position, of which 2 are currently filled, resulting in a new total allocated of 15 PY.

With consideration to the current staff size, the recommendation to catch up within 2 years with a 2/3 reduction in workload is to allow the Limited Term SSM I position to expire once the permanent position is filled, convert six of the Limited Term positions to permanent while allowing the two vacant AGPA's to expire unfilled and either reallocating the two filled AGPA or leave them unfilled as they become vacant, and add an additional 5.5 SSA and 0.5 OT positions. Once the backlog is addressed and a prioritization system is in place, the Complaints Unit would need to maintain a staff of 10.6 PY consisting of 0.5 SSM I, 4.5 AGPA, 5 SSA, and 0.6 OT PY. However, it is noted that the SSA's may need to be replaced by AGPA's since it is the more complex complaints requiring field investigations that would be retained as needing immediate attention. Once the backlog of high priority complaints has been completed, the SSA/AGPA's can move on to those complaints categorized as a medium priority using a risk assessment scale developed for the purpose of prioritizing the complaints.

Discipline Unit

The Discipline Unit is a part of the Enforcement Unit that focuses on the processing of citation or enforcement referrals received from the Complaints and Compliance Inspection Units. If a disciplinary citation results in the request for an Administrative Hearing, this unit corresponds with the Attorney's General office throughout the Hearing process. The current staff consists of 1 AGPA and 1 SSA. In addition, the organization has used blanket funds to supplement staffing with an additional OT to assist in the workload. This position will expire on June 30, 2015 and is not counted toward the authorized total. A difficult part of the workload analysis of this work unit comes from the fact that while overall analysis shows the unit staffing allocation is sufficient, the work actually completed annually does not appear to match this need. Using the projected rate of completion calculated in this section we can only conclude that allocated staff positions have both been vacant and assigned staff has worked on reportable items for only approximately 852 hours annually. This is equivalent to only 45% of the available work time of a single SSA position, and is less than one full time PY. Management must resolve

this problem in order to adequately respond to assigned work. As a result, no additional SSA/AGPA staffing is recommended at this time. Additionally, Phase 2 of this analysis project will complete additional review of this unit to refine and improve its future business process.

Calculation of Work Process Requirements – Current Processing Time

The approach for calculating the current work process requirements for Discipline is based on the completion of a calculation of Current Processing Time and Estimated Processing Time, as seen in Table D-1. The operational inspection data records utilized in this analysis showed discipline referrals received from October 2012 to May 2014[39], which will be used with the corresponding DCA provided payroll records from November 2012 to June 2014. The total number of hours spent by the Discipline Unit over 20 months from November 2012 to June 2014 (including the AGPA and SSA) was 6,205.91 of which 5,487.50 were working hours, including regular time but not overtime and excess time. For this twenty month period, the Discipline Unit utilized 1.55 SSA and 1.44 AGPA PY, indicating less than one full-time of each per year on average. Specifically, this indicates an annual staffing in the unit of 1.8PY of which .93 SSA were employed and .86 AGPA.

The total number of working hours per classification across all incumbents was factored by the percentage dedicated to program time in order to estimate the number of program work hours (PWH).

Analysis of operational records for workload required an adjustment from the 20-month period reported, so that a 12-month period (60% of the reported 20-month period) was reflected. This resulted in a conclusion that 13.8 citations and 16.8 Attorney General referrals were completed in a one-year period, with available staff. Table D-1 below shows the total working hours including overtime and excess hours, the percentage of time spent in program work, the program work hours, and the resulting average number of hours spent on each referral[40] per classification. This illustrates the number of estimated working hours spent on activities directly related to the processing of discipline referrals.

Table D-1: Calculated processing times per discipline referral completed

Classification	AWY hours for Nov 12 to June'14	% PW	PWH for all reported employees	**CPT:** Avg. # hours per referral (based on 51 referrals)	**EPT:** Avg. Hours for key tasks from Workflow Analysis
AGPA	2605.5	85%	4835.48	94.81 hours	• Citation only: 29.9 hours • OAG portion only: 17.23 • Combined Citation→OAG: 47.13 hours
SSA	2912	90%			
TOTAL	**5517.50**		**4835.48**		

[39] Operational data is approximately one month behind the payroll hours, but was considered close enough between time and actual completions to be an adequate estimate.

[40] Citations can escalate and become an OAG referral, but were considered a new referral once it was received by OAG for the total number of referrals. I.e. If an institution went to citation only, it would only be 1 referral, but if it was forwarded to OAG, it was then attributed with two discipline referrals.

The resulting Current Processing Time (CPT), as determined by the twenty month average was approximately 94.81 hours.

Calculation of Work Process Requirements – Estimated Processing Time

The Estimated Processing Time method relies on subject matter expert judgments based on the day to day work being completed. Each member of the staff completed a workflow analysis document asking them to identify the number of minutes spent processing key tasks within the Discipline Referral process, resulting in an overall time frame of approximately 29.9 hours per Citation only referral, 17.23 hours for just the OAG portion of the referral process, and a combined 47.13 hours for those the start of the citation process through the end of the OAG process when it requires both. There is a notable discrepancy between the CPT of 94.81 hours of work estimated based on the operational data and the EPT of 17.23 to 29.9 per discipline referral (treating it as a new referral when sent to OAG) or even compared to the EPT of the combined processes at 47.13 hours. There are numerous possible explanations for the discrepancy, including turnover and other duties assigned to the responsible staff. Where turnover is a factor it will cause more training time and will require trained staff to counsel trainees. Payroll records seem to support that and report two different individuals held both the SSA and the AGPA position during the time assessed. In contrast, the EPT was estimated by one employee in each classification who were regarded as more experienced. Due to the potential time spent training new staff in the CPT estimate resulting in an inflated processing time, it was determined the best available source would be the EPT projected by staff.

Future Staffing Projection

The number of discipline referrals is variable based on the findings of the Compliance and Complaints Investigations, however work records were used to estimate the workload for the purposes of a future staffing projection. In order to estimate the number of needed staff, the total number of hours needed per referral was used to calculate the total PWH requirements including: 1) the total amount of time needed to address the backlog (no action beyond assignment recorded), 2) the total time to address currently assigned referrals, and 3) the time to process the projected number of new referrals based on the average number received across historical records from May 1, 2011 to April 30, 2014. Consulting the management provided work records, there are as many as 40 citations and 23 Attorney General referrals that are backlogged, 12 citations and 15 Attorney General referrals in progress, and a projected average of 28 new citation and 22 new Attorney General referrals each year. However, given that it is assumed the backlog will be reduced over two years, the projection of workload must be doubled to account for two years and then the total of all backlogged, current, and anticipated will be halved to identify the annual workload. Additionally, it was assumed that the referrals currently assigned were 50% done on average. This resulted in the following equations to determine the number of PWH needed to process the backlogged and projected referrals for the next two years.

- TOTAL Citations PWH = (29.9 hrs.*40 *backlog*) + (29.9*56 anticipated new referrals over 2 years) + (29.9*12 *in process*50%) = 3,049.8 hours or 1,524.9 hours per year.
- TOTAL OAH PWH = (17.2 hrs.*23 *backlog*) + (17.2*44 anticipated new referrals over 2 years) + (17.2*15 *in process*50%) = 1,281.4 hours or 640.7 hours per year.

These calculations resulted in a total of 2,165.6 Program Work Hours (PWH) per year needed to process and catch up with referrals over the next two years. The calculated PWH was then adjusted backwards

to identify the annual staffing requirement to catch up within two years[41]. A summary of the hours needed per year is presented in Table D-2.

Table D-2: Projected workload staffing requirements

	SSA/AGPA combined
Total Needed PWH per year	2,165.6
Total Needed AWY	2,474.97
Total Hours per year	2,696.05
Number of PY Needed	1.30

The current staff consists of 2 authorized PY – 1 AGPA and 1 SSA, both of which are currently filled. In addition, the Bureau has used blanket funds to provide 1 OT to assist in completing the work. This staff must be dedicated to assigned duties and managed to eliminate corollary and intermediate reporting duties. If this is done, then the Discipline unit appears to have an appropriate number of allocated positions for the SSA and AGPA. Further analysis would be needed to determine how much of an OT PY would be required to complete the process. With consideration to the number of hours needed to process the backlog and anticipated discipline referrals, the Discipline unit would be able to catch up and maintain current status with a full staff. Even with consideration of the state vacancy rate the current allocations of 1 AGPA and 1 SSA, with the addition of an OT position should suffice as noted in the table below. As can be seen in table D-3, based on the average processing times and number of backlogged referrals, the Discipline Unit has the appropriate number of allocated positions to catch up and remain current in the future.

Table D-3: Comparison of Existing and Recommended Staffing

Classification:	OT	SSA	AGPA	SSM I	TOTAL PY
Recommended Number of PY Needed to catch up in 2 yrs.	**1**	**1**	**1**	**0**	**3**
Total Allocated Staffing: Perm/*Limited Term*	0	1	1	0	2
Permanent Filled		1	1		
Limited Term Filled					
Permanent *(Vacant)*					
Limited Term *(Vacant)*					
Net Change in staff to catch up:	**+1**	**0**	**0**		**+1**
Vacant positions to be filled					
Additional authorized positions needed	+1				**+1**
Number of PY Needed after caught up	1	1	1		3

*Since the Office Technician was not available during the process time estimation activities, it is assumed that the 1 PY being used is sufficient. Further evaluation of the OT position is needed.

Discontinuity of Projections

The Bureau Operational Reports regarding work completion by the Discipline Unit show that an average of 13.8 Citations and 16.8 Attorney General referrals have been completed each year. Using the

[41] The process time covers all both classifications, so the average percent of program work time and available work year between the SSA/AGPA was used since the work duties were combined for the purposes of this analysis.

projected rate of completion calculated above, we can only conclude that assigned staff has worked on reportable items only for approximately 852.4 hours estimated to complete these referrals, after adjusting for available work time.

Administrative – STRF and Annual Report Review

The BPPE Administrative Division has dual function including traditional administrative duties and program operations functions. Those program operations functions include a defined operational unit that performs review and approval of Student Tuition Recovery Fund (STRF) applications, and an integrated staff function responsible for receipt and review of required Annual Reports and Performance Fact Sheets (AR – PFS) submitted annually by licensed institutions. The STRF review process has been a part of BPPE Operations since its re-authorization in 2010, and its requirements are established and well-known. The receipt and review of required Annual Reports and Performance Fact Sheets (AR – PFS) is a nascent process that has been performed in a ministerial manner for the past several years, and will now be structured to allow the Bureau to "establish priorities for its inspections and other investigative and enforcement resources," as mandated within SB 1247 requirements signed by the Governor on Sept. 29, 2014. This report has considered a means of estimating the workload that will be required for the receipt and review of required Annual Reports and Performance Fact Sheets as a part of current processes.

Current Administrative Unit staff consists of 1 SSM I, 2 AGPA's, 5 SSA's, and 3 OT's, of which 1 AGPA and 1 SSA are vacant. In addition, the Bureau has used blanket funds to supplement staffing with an additional 2 full-time and 1 part-time AGPA, 1 SSA, 1 OA, and 1 Seasonal Clerk to assist in the workload. These positions will expire on June 30, 2015 and are not counted toward the authorized total. Within this Administrative unit, the STRF unit has 1 AGPA and 2 SSA positions dedicated to the processing of STRF claims, making up 30% of the staff (not including the SSM I or Seasonal Clerk)[42], of which the two SSA positions are filled with permanent staff. In addition, the STRF staff is currently supplemented by one SSA and a part time AGPA from the blanket fund positions.

Overall, the total number of working hours for the Administrative Unit (including the SSM I, AGPA's, SSA's, OT's, OA, and Seasonal Clerk) for the two year period assessed was 42,214.09 hours, of which 36,143.50 were working hours including regular time, but not overtime or excess. This comprises approximately 18,071.75 hours or approximately 10.1 PY per year across the entire Administrative unit. Breaking it down by classification, this is equivalent to 1 SSM I, 1.28 AGPA's, 3.2 SSA's, 2.8 OT's, 0.04 OA, and 0.37 Seasonal Clerk PY's per year.

While the amount of Administrative Unit time that will have to be spent on the AR-PFS Review Process in the future is estimated as a part of the report, the amount of time currently spent was able to be estimated from several sources. These included Position Description Questionnaires (PDQ) filled out by staff identifying the percentage of time spent on key activities; payroll records for November 2012-October 2014 showing the number of total working hours; work records/tracking provided by the Administrative Unit staff covering STRF records from January 2011 to December 2014; and limited Annual Report records for July to December, 2014. The following pages present an analysis of current and needed projected staffing for the STRF function followed by an estimate of existing staffing needs

[42] It can be assumed that the SSM-1 spends 30% of her time in management of STRF.

for the Annual Report review process. The total Administrative time reported to payroll, including leave time, was used as the basis of computing actual staff work hours in conjunction with estimates of percentage of time spent on actual program activities from the PDQ's was used to identify a rough computation of Current Processing Time for each analyzed program activity.

STRF Calculation of Work Process Requirements – Current Processing Time

The Current Processing Time for STRF related activities was calculated using operational performance data and payroll records in conjunction with PDQ responses to estimate the average processing time per STRF claim. This calculation looked at the number of STRF claims completed and the number of hours used during the corresponding two year period of time from November 2012 to October 2014. The department provided work records that showed a total of 435 claims received and 641 claims completed as closed, denied, ineligible, or unable to contact during this time, resulting in an average gain on the backlog of approximately 103 claims per year during this period.

Due to the nature of the Administrative Unit positions, it could not be assumed that all the documented payroll hours were dedicated to any specific activity. In order to identify the approximate time spent on STRF activities, the PDQ's completed by the AGPA's and SSA's were analyzed and the average percentage of SSA and AGPA hours overall dedicated to STRF activities was estimated across all incumbents. This percentage was then factored to determine time dedicated to 640 claims completed. The results of this analysis are shown in table AS-2 below.

The total number of working hours for the SSA's and AGPA's for the two year period was 21,207.51, of which 18,700 were working hours including regular time, but not overtime and excess time. This was determined to be approximately 9,350 working hours per year. Breaking it down by classification, the Administrative Unit as a whole had an average of 1.45 AGPA and 3.64 SSA's per year. Table AS-1 shows the three-year trend of PY for the core Admin staff[43] based on payroll hours in the Admin unit overall encompassing all duties.

Table AS-1: Projected PY by FY based on Reported Hours

	Projected Number of PY per year[44]					
	OA	OT	SSA	AGPA	SSM I	TOTAL
Hours from Nov. 2012 to June 2013	0	2.96	3.70	1.18	1.12	8.96
Hours from July 2013 to June 2014	0	2.85	3.86	1.41	1.12	9.24
Hours from July 2014 to Oct. 2014	0.25	4.75	2.90	2.11	0.66	10.67

The following table shows the total working hours including overtime and excess hours, the percentage of time spent in program work, the program work hours, and the resulting average number of hours spent on each claim per classification.

[43] Payroll records also included Chief, CEA, SSM II, and marginal QEU Specialist hours that are not a normal part of the Administrative processes discussed herein.

[44] When using the partial year's reported hours, the number of PY was extrapolated out with the assumption of the hours remaining consistent for the remaining months from that fiscal year.

Table AS-2: Calculated processing times per claim[45]

Classification	AWY hours for Nov 12 to Oct'14	% PW	PWH for all reported employees	**CPT:** Avg. # hours per STRF claim (based on 640 claims)	**EPT:** Avg. Hours for key tasks from Workflow Analysis
SSA	13,385.5	38%	5086.49	7.95 hours	381 min = 6.35 hours
AGPA	5,357	14%	749.98	1.17 hours	421 min = 7.02 hours
TOTAL	**18,742.50**		**5836.47**	**9.12 hours**	**6.35 to 7.02 hours**[46]

Given the overlapping of SSA and AGPA tasks in completion of this work, the 9.12 hour per STRF claim was used and future calculations are based on total analyst time (SSA and AGPA combined).

Calculation of Work Process Requirements – Estimated Processing Time

The Estimated Processing Time method relies on subject matter expert judgments based on the day to day work being completed. Each member of the staff completed a workflow analysis document asking them to identify the number of minutes spent processing key tasks within the STRF claim process, resulting in an overall time frame of approximately 6.35 to 7 hours spent per claim. The CPT estimate is about 28% higher than the EPT, however the overall difference is relatively small at approximately 2 hours. There are numerous possible explanations for the resulting discrepancy. The CPT may reflect the increase in staffing, as can be seen in Table A-1, which implies the need for training time for new staff and it is also possible that general work related to processing STRF claims but not directly tied to a specific claim is included in the CPT. On the opposite side, it is possible the EPT is slightly lower due to the focus on key steps so it does not capture the full process and the inadvertent omission of the assessment of SSA initial research on the claim. Given these considerations, the proximity of the estimates, and the more objective nature of the CPT, it will be used in calculations for future staffing.

Future Staffing Projection

In order to estimate the number of needed staff, the total number of hours needed per STRF claim was used to calculate the total PWH requirements including: 1) the total amount of time needed to address the backlog (not assigned), 2) the total time to address currently assigned claims, and 3) the time to process the projected number of new claims based on the average number received across historical records from January 1, 2012 to December 31, 2014. Consulting the management provided work records, there were a total of 152 claims (in queue or with no status since receipt) in the backlog, 38 currently assigned claims, and a projected average of 279.7 new claims anticipated each year. However, given that it is assumed the backlog will be reduced over two years, the projection of workload must be made for two years and then halved once combined with the backlogged and in progress claims. So the number of projected new claims is doubled in this calculation. Additionally, it was assumed that the claims currently assigned were 50% done on average. This resulted in the following equation to determine the number of PWH needed to process the claims for the next two years.

[45] These work process tasks are used as a combined total in staffing calculations, due to the overlap in duties and tasks.

[46] The AGPA has one additional step, otherwise the SSA/AGPA follow the same estimated pathway and the 7.02 hours includes the overlap of 6.35 hours).

- SSA/AGPA TOTAL PWH = (9.12 hrs.*152 *backlog*) + (9.12*559.4 anticipated new applications over 2 years) + (9.12*38 *in process*50%).

This calculation resulted in a total of 6,661.25 Program Work Hours (PWH) needed to process STRF claims over the next two years, or 3,330.63 PWH per year. The calculated PWH was then adjusted backwards to identify the number of staff hours, once adjusting for average leave time, that should be dedicated to the STRF processes within the Administrative Unit. Given that the STRF staff is gaining on the backlog in the two year period assessed, the number of PY needed to catch up in one year was also assessed. A summary of the hours needed per year is presented in Table AS-3.

Table AS-3: Projected workload staffing requirements

	Catch up in 2 years	Catch up in 1 year
Classification	SSA/AGPA	SSA/AGPA
Total Needed PWH per year	3,330.62	4110.42
Total Hours per Year after accounting for leave	3,606.52	4450.91
Number of PY Needed	1.73	2.14
Number of PY Needed after accounting for average State vacancy rate	1.94	2.4

The staff focused on STRF claims consists of 3 authorized PY, currently filled by three SSA's and one part time AGPA, of which only two of the SSA's are regular staff and the other SSA and part time AGPA are supplementary staff covered by blanket funds. Since the staff within the Administrative Unit has multiple responsibilities, the numbers above reflect the number of PY needed to catch up within 1 and 2 years, with the assumption that the PY identified are working on STRF claims 100% of their work time. If the staff assigned to STRF claims is also working on other tasks, the number would need to be adjusted accordingly – for example, if the staff assigned is only working on it 50% of the time – then the number required would be doubled.

Based on the AWY for each class we can predict that each SSA works 1,905.28 hours per year and each AGPA works 1,936.48 hours per year. If we then apply those calculated times to STRF applications we would assume that the three authorized positions apply 5,747.04 hours annually overall. With an average processing time of 9.12 hours per application combining SSA and AGPA hours, the assigned staff of three should be able to complete approximately 630.2 STRF claims a year. However, looking at records from 6/1/12 to 5/31/14, an average of 334.5 are being completed a year **indicating only about 53% of the time is being spent on those applications.**

Assuming that the existing positions are being allocated to other administrative essential duties (which is not verified by this study) it is observed that the administrative staff may need augmentation so that the allocated STRF positions can be used for that purpose.

Following the standard format for this report, we have calculated above to reflect the minimum number of staff needed for STRF processing. Consideration of the statewide vacancy rate (see footnote 24 on page 24) requires that the recommended number of authorized positions account for turnover and

unfilled positions so that the remaining staff meets the minimum workload requirements. The total number of recommended employees to be dedicated to the STRF claims in order to catch up within one year after applying a 12% vacancy factor is presented in table AS-4 below. As can be seen, the currently allocated positions would be sufficient to catch up within a year if the time was dedicated to processing the STRF claims. This table also shows the number of employees that would be required to maintain current status in the unit once the backlog has been addressed.

Table AS-4: Comparison of Existing and Recommended Staffing

Classification:	SSA	AGPA	TOTAL PY
Recommended Number of Full-time PY Needed to catch up in 1 year	**2.10**	**0.30***	**2.40**
Total Allocated Staffing: Perm/*Limited Term*	2	1	3
Permanent Filled	2	0	
Limited Term Filled			
Permanent *(Vacant)*		**1**	
Limited Term *(Vacant)*			
Net Change in staff to catch up:	**0**	**+1**	**+1**
Vacant positions to be filled		**+1**	+1
Additional full-time PY needed	0	0	**0**
Number of PY Needed after caught up	1.2	0.2	1.4

*The 0.30 AGPA time reflects the portion of the 9.12 hours that was exclusive to the AGPA role in the EPT analysis. The AGPA also participates in the activities done by the 2.10 proposed SSA PY

The STRF unit needs to be staffed with enough staff to cover the required 2.10 SSA and 0.30 AGPA PY to catch up on the claims within one year. This could be done with three SSA's able to commit 70% of their time and 1 AGPA able to commit 30% of their time exclusively to the STRF claims.

AR-PFS Process - Calculation of Work Process Requirements – Current Processing Time

The process related to the receipt and review of required Annual Reports and Performance Fact Sheets (AR-PFS) is under development so the estimates provided herein are based on limited department records and the evolving process as it is currently practiced. Overall it is assumed that the Annual Report and Performance Fact Sheet review process should be viewed as an adjunct and improvement to the Licensing and Compliance Inspection processes that should be able to obtain its primary staffing requirement from those positions. It is recommended that a future workload analysis be conducted once the process has stabilized and had time to be vetted.

This section will quantify the workload requirement of the current practice, in the same manner as done previously. The Current Processing Time is typically calculated using the hours spent and the number of Annual Reports completely reviewed, however due to the infancy of the formal process, the records at this point are limited and the CPT could not be calculated. In addition, due to the nature of the Administrative Unit positions, it could not be assumed that all the documented payroll hours were dedicated to any specific activity. The total number of PY used by the Administrative Unit is summarized in Table AS-1 above.

In order to identify the approximate time spent on AR-PFS activities, the PDQ's completed by the Administrative Unit staff were analyzed and the average percentage of hours overall dedicated to AR-PFS activities was estimated across all incumbents. This percentage was then factored into the working

hours to determine the number of staff hours dedicated to AR-PFS activities. The following table shows the total working hours including overtime and excess hours, the percentage of time spent in program work, and the resulting number of program work hours dedicated to AR-PFS activities per classification. The results of this analysis are shown in table AP-1 below.

Table AP-1: Calculated processing times per application

Classification	AWY hours for July 14 to Oct'14	% PW	4 months PWH for all reported employees	**CPT:** Avg. # hours per Annual Report	**EPT:** Avg. Hours for key tasks from Workflow Analysis
SSM I	432	20%	86.4		AR: 195 min each year = 3.25 hrs. PFS: 20 min each
AGPA	1365	15.7%	214.3		AR: 1740 min each year + 28 min per report PFS: 540 min = 9 hours
SSA	1717	9.8%	168.3		
OT	2618	10%	261.8		AR: no data collected PFS: N/A
TOTAL	**6132**		**730.8**		AR: 1935 min flat + 28 min/each PFS: 9.3 hours each

Based on the information reported on the PDQ's, an estimated 730.8 hours for the assessed four month period is dedicated to the AR-PFS review. Assuming a consistent level of staffing, this would extrapolate out to approximately 2,192.4 program work hours (259.2 for SSM I, 642.9 for AGPA, 504.9 for SSA, and 785.4 for OT) a year is dedicated to Annual Report activities.

Calculation of Work Process Requirements – Estimated Processing Time

The Estimated Processing Time method relies on subject matter expert judgments based on the day-to-day work being completed. The unit completed a workflow analysis document asking them to identify the number of minutes spent processing key tasks within the Annual Report and the Performance Fact Sheet review process. The Annual Report review consisted of a series of tasks to be done once a year totaling 1,935 minutes in addition to approximately 28 minutes per report. The data for the Performance Fact sheet indicates approximately 9.3 hours spent by the Compliance Analyst including a manager review. A secondary estimated processing time, which was provided with the operational work records, indicated that it takes approximately 4 hours to do a review of a Performance Fact sheet up through the review of one deficiency letter response.

Given that there is no current processing time directly tied to the AR-PFS review, the EPT of 1935 minutes one time a year in addition to 28 minutes per report will be used for the annual report, and the average of the two SSA/AGPA EPT (390 min) plus the 20 minutes each for the SSM I will be used for the PFS for the purposes of future projections.

Future Staffing Projection

The anticipated future workload is more consistent than any of the other units as each licensed institution is required to submit an AR-PFS each year. Based on the operational records provided in January 2015, there are a total of 1090 institutions listed, of which only 787 had submitted one for FY13-14. However, it is anticipated that a follow up with those who do not submit the annual report will be

built into the evolving process so the estimation is based on the full 1090 licensed institutions listed. In order to determine the total number of hours needed for all 1090 institutions, the processing times for the Annual Report and Performance Fact Sheets were summed.

- AR: 1935 min + 28*1090 = 32455 min = 540.92 hours
- PFS: 410 min * 1090 = 446900 min = 7448.33 hours[47]

This calculation resulted in a total of 7989.25 Program Work Hours (PWH) needed to process the AR-PFS each year – or which only about 7% - the amount needed for Annual Report Review, is currently encumbered. The projected workload has therefore been calculated as a planning number, and this staffing need is identified is provided as a planning number only.

As with previous analysis, this calculated PWH was adjusted backwards to identify the number of staff hours needed, adjusting for average leave time. A summary of the hours needed per year is presented in Table AP-2.

Table AP-2: Projected workload staffing requirements

Classification	SSA/AGPA	SSM I
Total Needed PWH per year	7622.67	366.58
Total Hours per Year after accounting for leave	8642.48	407.3
Number of PY Needed	4.16	0.20

Based on the EPT, the Administrative Unit would require approximately 4 SSA/AGPA's to process all the annual reports and performance fact sheets each year with oversight by a SSM I.

Since the staff within the Administrative Unit has multiple responsibilities, the numbers above reflect the number of PY needed each year, with the assumption that the PY identified are working on these activities 100% of their work time. Since the work currently done on the Annual Report reflects only 541 hours, or about 28% of a single PY, it is assumed staff is assigned to other administrative duties.

The numbers calculated above reflect the minimum number of staff needed for initial deployment of this function. Consideration of the statewide vacancy rate (see footnote 24 on page 24) requires that the recommended number of authorized positions account for turnover and unfilled positions so that the remaining staff meets the minimum workload requirements. The total number of recommended employees to be dedicated to the AR-PFS reviews each year after applying a 12% vacancy factor is presented in table AP-3 below.

Table AP-3: Planning Number - Staffing for AR-PFS Function

Classification:	SSA/AGPA	SSM I	TOTAL PY
Planning Number - PY Needed to process AR-PFS each year	4.66	0.22	4.88

[47] It is unknown how many performance fact sheets would need annual review and this process is now performed only by Licensing and Compliance Inspection as an adjunct to their duties. This analysis includes this analysis only as a future planning number.

References

George, M. L. (2003). *Lean Six Sigma for Service.* New York: McGraw-Hill.