

**State and Consumer Services Agency  
Fred Aguiar, Secretary**

January 12, 2005  
**Little Hoover Commission**

**What were the reasons for establishing the entities proposed for reorganization and how has this public need changed?**

In general, the regulatory boards proposed for reorganization were originally created in response to specific consumer health and safety needs. Some of the original professions and occupations first proposed for regulation include accountants, dentists, pharmacists, and physicians, among others. Over time, other industries were subject to regulation and subsequently deregulated as the public need changed. Some of these deregulated professions include tax preparers and dry cleaners. The ultimate decision to regulate or deregulate an industry rested not on the regulated industry, but rather through legislation passed by the Legislature and signed into law by the Governor.

The process for assessing the continued regulation rests with the Legislature and Governor. The proposed reorganization does not change this. While most industries may need the same level of regulatory oversight, the need for continued regulation of others is an ongoing process. Where continued regulation is necessary, it will be provided by the Department of Consumer Affairs, much in the same manner currently provided by the boards. As contemplated in the reorganization plan, this continued regulation does not require the presence of appointed board members.

**Which functions will be eliminated by the reorganization, and which functions will be performed differently as a result of the reorganization?**

The administration's proposal does not eliminate functions currently performed by the boards. Instead, some business functions will be consolidated to promote efficiency and public access. For example, the Department proposes to consolidate all toll free and toll call telephone numbers into a single 800 number, thereby improving consumer access to government. Other functions that would benefit from consolidation include cashiering, central files, general administration, and consumer education and outreach.

**For each board or commission proposed for absorption into your agency, please describe the structure, process, number and type of positions that will fulfill these functions?**

For the most part, employees performing their current responsibilities will continue to do so. Those functions that will be consolidated into departmental functions may undergo changes to their structures.

**What savings (if any) will be captured as a result of the reorganization? What will be done with those savings and how will they be accounted for in the budget?**

In the initial transition phase, the Department anticipates incurring savings of approximately \$2.0 million annually that would stem from board member per diem and board travel costs. The Department anticipates generating future savings from the consolidation of the business functions described above.

Savings resulting from the reorganization could be used in a variety of ways. They could be returned to licensees in the form of reduced application and licensing fees. They could also be used to increase consumer education and outreach efforts, augment enforcement activities, or implement projects that enhance the delivery of services to consumers and licensees.

**For boards or commissions that are proposed for elimination, who are the appointing authorities, what are the qualifications for membership and the terms of office?**

In general, members appointed to the boards and commissions proposed for elimination are appointed by the Governor, Assembly Speaker, and the Senate Pro Tem. The qualification for membership varies from board to board. In general, board members serve a range of terms and serve at the pleasure of the appointing authority.

**For boards and commissions that are created by the reorganization, who are the appointing authorities, what are the qualifications for membership, the terms of office and the compensation?**

The proposed reorganization does not create boards or commissions within the Department of Consumer Affairs. A subsequent document displaying the current requirements for board members is forthcoming.

**How will the new organization guard against special interest inappropriately influencing decision-makers?**

During the transition period, current board members, including public members, will be asked to serve on departmental advisory committees. Through these advisory committees, the opportunity to provide input and meet regularly with administration officials will provide the public with the ability to continually monitor and assess the officials' actions and decisions.

This proposed reform addresses the inherent perception of conflict of interest between board members and the executive officer. Currently, some board members, who represent a particular industry or segment of an industry, have significant input into the

appointment of an executive officer. One can argue that executive officers are sometimes beholden to board members to implement board policies and decisions that may not promote the public good. Under the proposal, board members would no longer have the ability or authority to influence policy decisions through the appointment and retention of an executive officer.

**How will the public be better served by reorganizing these boards or commissions and how will this improvement be measured and reported?**

The current access enjoyed by consumers and licensees would continue. Both would have access to a toll free telephone number and electronic access to complaint forms. The Department proposes to undertake other initiatives, among them:

- Establishing advisory committees convened by the director to address many of the issues that are presented to current board members such as public policy, educational standards, scope of practice, regulations, and consumer safety.
- Conducting monthly meetings (subject to Bagley-Keene Open Meetings Act) to be held throughout the state with teleconferencing, video and web casting capability to inform the public and enable statewide participation of consumers and licensees.
- Creating a link on the DCA web site that will notice meeting agendas.
- Creating an “Ask the Director” link on the DCA web site.
- Creating a DCA “Ombudsman Program” for consumers and licensees – similar to the Bureau of Automotive Repair ombudsman program that assists licensees.

Another key benefit to the public will be the efficiencies achieved through consolidation into DCA. For example, the consolidation of current board public numbers into a single toll-free phone number will provide the ease of a single point of contact and the benefit of a uniform customer service practice and philosophy. The speed of cashiering license fees will be improved because in many instances, a single person at a board is responsible for performing the cashiering functions, which sometimes creates delays in the licensing process. After the consolidation, several staff would have the ability to provide this service.

These improvements will be measured through customer service surveys of consumers/licensees, and other measures such as the tracking of audience attendance at advisory committee meetings and monthly meetings with the Director. The data can be reported formally to Agency and the Legislature.