

# Exhibit F



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## Financial Report Fiscal Year (FY) 11/12 (Through 6/30/12)

### ● Overview ..... F

BPM continues to strictly monitor its expenditures, while ensuring that its licensing and enforcement programs continue to provide efficient and effective services to its consumer and licensee populations. BreEZe implementation costs remain a concern as the Board's relatively invariable licensee base and revenue stream cannot offset these new costs. BPM is currently working with the DCA Budget Office to explore the enactment of a renewal fee increase in 2013 to take effect in 2014. As reflected in the fund conditions shown under Exhibits H and I, this measure is necessary in order to stabilize the Board's fund and promote long-term solvency.

DCA was recently selected to participate in a performance-based budgeting pilot program, which seeks to reduce costs and increase efficiency. In accordance with the goals set forth in the Governor's Executive Order B-13-11, DCA will utilize current performance measures to develop a means for managing its resources based on fluctuating enforcement needs. Assessment criteria will include case volume and processing times associated with complaint intake and assignment, investigations, and formal discipline cases. The Department's Executive Office will be working with Boards and Bureaus throughout this process.

### ● Budget ..... G

Total expenditures through FY 11/12 (\$923,000) were manageable and comparable to the average among the preceding eight years (\$921,000). Revenues in FY 11/12 (\$921,000) were slightly higher than the preceding eight-year average (\$913,000). While this could be interpreted as a very "balanced" year, it should be recognized that revenues still fell short of total expenditures despite an "uneventful" enforcement year and an unexpected increase in renewal. Staff also feels that it is too soon to predict future increases in license renewals based on a single year, and must continue to base revenue projections on historical data.

Twenty percent (21%) of the Board's total expenditures were for Departmental/Central Administrative Services, which include: maintenance of licensing and enforcement systems, website maintenance, telecommunications, HR services, pc support, internet services, and other administrative support services.

Thirty-three percent (33%) of the Board's total expenditures were for enforcement-related costs associated with services provided by the Office of the Attorney General, the Office of Administrative Hearings, Medical Board Investigations staff, and podiatric medical experts and consultants.

- § Expenditure Trends [FY 03/04 through FY 11/12] (Chart)
- § Breakdown of Actual General Office Expenses [FY 03/04 through FY 11/12]
- § Breakdown of Medical Board Shared Services costs [FY 07/08 through FY 11/12]

● **Fund Condition**.....H

The enclosed fund conditions show projections using BPM's actual and future planned expenditures and DCA's plan, which assumes full budget expenditure from FY 2012/13 forward. Note that while BPM's projection provides a more accurate and positive outlook, a potentially declining reserve balance indicates a need to continue monitoring revenues and expenditures and identify potential solutions to ensure future fund stability.

The BPM Budget History table and chart reflect budget, revenue, expenditure, and reserve figures for FYs 1996/97 through 2011/12. As the chart indicates, revenues have remained very stable over the past several years. Expenditures, however, have fluctuated in a manner very consistent with budget changes, which are largely determined by *pro rata* and other nondiscretionary disbursements.

- § BPM Fund Condition [BPM Projection through 6/30/19]
- § BPM Fund Condition [DCA Projection through 6/30/19 – assumes full budget expenditure]
- § BPM Budget History [FY 96/97 through FY 11/12]

**Renewal fee increase needed**.....I

As indicated by the fund condition projection on page 2, a renewal fee increase is necessary in order to maintain fund solvency through FY 17/18 and possibly FY 18/19. Without this increase, the Board of Podiatric Medicine fund may become nearly exhausted by the end of FY 16/17 (see page 1). While the Board's fund appears to face inevitable depletion despite a renewal fee increase, it is important to consider the historical volatility of BPM's enforcement expenditures and the potential for a slight increase in license renewals. It is not BPM's intent to generate additional revenue in excess of what is absolutely necessary to maintain its programs in the near term and enforce the law without compromise. During this time, staff will continue to monitor the BPM fund, limit expenditures to those of a mission-critical nature, and evaluate all factors affecting future revenues and expenditures.

Page 4 displays fixed/critical operating costs vs. revenue for FYs 03/04 – 11/12. The composite of these costs has followed an increasing trend, while revenues have remained relatively flat.

- § BPM Fund Condition – no fee increase  
(BPM projection – future expenditures projected based on historical data)
- § BPM Fund Condition – proposed renewal fee increase (\$990)  
(BPM projection – future expenditures projected based on historical data)
- § BPM Fund Condition – proposed renewal fee increase (\$990)  
(DCA projection – assumes full budget expenditure)
- § Facilities/*Pro Rata*/Enforcement Expenditures vs. Revenue (FYs 03/04 – 11/12)



## MEMORANDUM

**DATE** October 8, 2012

**TO** ALL Board Executive Officers, Bureau Chiefs and Deputy Directors/Senior Executive Management

**FROM** Sandra Mayorga, Deputy Director  
Office of Administrative Services

**SUBJECT** Performance Based Budgeting (PBB) Pilot Program

Pursuant to Executive Order B-13-11, the Governor ordered the Department of Finance (DOF) to create a plan for modifying the budget process to increase efficiency and focus on accomplishing program goals. The Department of Consumer Affairs (DCA) was one of four departments identified in the Fiscal Year (FY) 2012-13 Governor's Budget and 2012 May Revise to participate in a performance based budgeting pilot program. As part of this pilot, DCA is working with DOF to prepare a special display for the upcoming Fiscal Year 2013-14 Governor's Budget that will illustrate how a performance based budget model might look.

DCA is in a position to move forward with this request as a result of the already created enforcement performance measures. These performance measures are collected from Consumer Affairs System (CAS) or your program staff and are reported quarterly on the DCA website. The performance measures data shown in the attached special display draft were compiled from CAS on September 21, 2012 using fiscal year date ranges for both FY 2010-11 and FY 2011-12. This information will serve as a baseline for DCA's performance measures. More consistent tracking and reporting of data is assured after BreZE implementation.

These performance measures are critical, particularly during the current climate of budget constraints, for demonstrating that Boards, Bureaus and Divisions under the DCA are making the most efficient and effective use of resources. We understand that these numbers may not be the most precise measures of your program's success, and we have remained consistent in our message to relay that to the DOF. Staff from our SOLID unit will be in contact with each Board and Bureau to ensure you have the opportunity to vet the performance measures data on the attached draft prior to display in the Governor's Budget.

We understand that you may have some questions or comments regarding this and we would like to be sure we address them prior to finalizing this special display in early November. The Executive Office has scheduled a special EO/Bureau/Division Chief meeting where you will have an opportunity to address your questions and comments.

This is a collaborative effort and we cannot do this without your valued input. We look forward to meeting with you on this topic.

## 1110 – Department of Consumer Affairs Regulatory Boards

The Department of Consumer Affairs (DCA) oversees a wide variety of autonomous Boards and Bureaus that certify, register, and license individuals and entities that provide goods and/or services in the state. The overall purpose of the DCA is to promote a fair and competitive marketplace in which consumers are protected. The DCA provides consumers and licensees with valuable information and training and processes and mediates complaints. When appropriate, cases are referred to the Attorney General's office or law enforcement authorities for administrative action, civil and/or criminal prosecution.

### **Background**

Executive Order B-13-11 requires the Department of Finance (DOF) to work in conjunction with various departments to utilize performance-based budgeting to increase efficiency and focus on accomplishing program goals. As a result, the DCA has identified a variety of ways to measure enforcement efforts for all Boards and Bureaus. Performance-based budgeting provides the DCA the flexibility to manage its resources based on fluctuating program demand.

### **Performance Measures**

To ensure stakeholders can review the progress of DCA's Boards and Bureaus in meeting their enforcement goals and targets, DCA has developed a transparent system of performance measurements. These measures are critical, particularly during the current climate of budget constraints, for demonstrating that DCA is making and will continue to make the most efficient and effective use possible of its resources. These measures are posted publicly to the Department website on a quarterly basis.

The DCA will assess enforcement needs based on the following criteria:

- Volume - *Number of cases for each measure;*
- Intake Cycle Time - *Average number of days from receipt of the complaint to the date the complaint was assigned for investigation;*
- Investigation Cases - *Average number of days from receipt of the complaint to closure of the investigation process. Does not include cases resulting in formal discipline.*
- Formal Discipline Cases - *Average number of days to complete the entire enforcement process for cases referred to the Attorney General's office for formal discipline.*

The following budget display represents a snapshot of existing enforcement efforts of the Boards and Bureaus within the DCA. This information will act as a baseline of enforcement performance and will allow for the tracking of future performance.

#### **1. Intake Cycle Time**

The following represents the total number of cases assigned for investigation and the average number of days (cycle time) from receipt of a complaint to the date the complaint was assigned for investigation. This data assists DCA and the program in measuring the efficiency of the program's internal complaint intake process.

1110 – Department of Consumer Affairs Regulatory Boards

Program		FY 2010-11		FY 2011-12		FY 2012-13 (Target)
		# of Cases	Avg. Cycle Time (Days)	# of Cases	Avg. Cycle Time (Days)	Avg. Cycle Time (Days)
03	California Board of Accountancy	836	5	1,920	4	10
06	California Architects Board	285	2	211	3	7
09	State Athletic Commission	NA	NA	NA	NA	NA
18	Board of Behavioral Sciences	1,981	4	1,915	4	5
22	Board of Barbering and Cosmetology	NA	NA	5,470	3	10
30	Contractors' State License Board	NA	NA	NA	NA	3
36	Dental Board of California	3,700	13	3,575	9	10
47	Dental Hygiene Committee	126	26	221	4	30
54	State Board of Guide Dogs for the Blind	NA	NA	NA	NA	NA
55	Medical Board of California	NA	NA	NA	NA	9
56	Acupuncture Board	225	9	107	8	10
58	Physical Therapy Board	1,806	6	1,819	5	5
59	Physician Assistant Committee	268	8	276	12	10
61	California Board of Podiatric Medicine	91	10	135	12	9
62	Board of Psychology	790	6	743	5	9
64	Respiratory Care Board	835	3	875	2	7
65	Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board	239	1	197	5	3
67	California Board of Occupational Therapy	683	1	541	3	2
69	State Board of Optometry	260	5	351	75	7
70	Osteopathic Medical Board of California	413	28	362	9	30
71	Naturopathic Medicine Committee	NA	NA	NA	NA	10
72	California State Board of Pharmacy	3,906	23	3,963	25	20
75	Board of Professional Engineers and Land Surveyors	38	899	45	959	10
78	Board of Registered Nursing	8,063	16	8,084	15	15
81	Court Reporters Board of California	NA	NA	NA	NA	5
90	Veterinary Medical Board	733	33	732	26	10
91	Board of Vocational Nursing and Psychiatric Technicians of the State of California	5,163	26	5,561	16	30

## 1110 – Department of Consumer Affairs Regulatory Boards

### 2. Intake and Investigation Cycle Time

The following represent the total number of cases investigated and the average number of days (cycle time) from receipt of a complaint to the closure of the investigation. This data assists DCA and the program in measuring how efficient a program is in addressing a violation of the Board's statutes and regulations. This measure does not include cases referred to the Attorney General's office.

Program		FY 2010-11		FY 2011-12		FY 2012-13 (Target)
		# of Cases	Avg. Cycle Time (Days)	# of Cases	Avg. Cycle Time (Days)	Avg. Cycle Time (Days)
03	California Board of Accountancy	438	114	1,473	73	180
06	California Architects Board	288	216	278	148	270
09	State Athletic Commission	NA	NA	NA	NA	NA
18	Board of Behavioral Sciences	1,826	126	1,836	126	180
22	Board of Barbering and Cosmetology	NA	NA	5,598	71	120
30	Contractors' State License Board	NA	NA	NA	NA	180
36	Dental Board of California	3,833	167	3,291	156	270
47	Dental Hygiene Committee	118	108	218	45	120
54	State Board of Guide Dogs for the Blind	NA	NA	NA	NA	NA
55	Medical Board of California	NA	NA	NA	NA	125
56	Acupuncture Board	180	155	131	164	200
58	Physical Therapy Board	1,555	70	1,638	55	90
59	Physician Assistant Committee	233	74	226	100	150
61	California Board of Podiatric Medicine	97	145	114	142	125
62	Board of Psychology	591	64	590	71	80
64	Respiratory Care Board	793	116	753	90	210
65	Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board	247	233	147	277	90
67	California Board of Occupational Therapy	716	135	554	79	270
69	State Board of Optometry	174	89	233	184	90
70	Osteopathic Medical Board of California	258	245	403	234	360



1110 – Department of Consumer Affairs Regulatory Boards

Program		FY 2010-11		FY 2011-12		FY 2012-13 (Target)
		# of Cases	Avg. Cycle Time (Days)	# of Cases	Avg. Cycle Time (Days)	Avg. Cycle Time (Days)
71	Naturopathic Medicine Committee	NA	NA	NA	NA	90
72	California State Board of Pharmacy	3,330	229	2,964	222	210
75	Board of Professional Engineers, and Land Surveyors	13	787	26	1,147	360
78	Board of Registered Nursing	5,340	113	4,946	122	100
81	Court Reporters Board of California	NA	NA	NA	NA	NA
90	Veterinary Medical Board	417	264	566	311	365
91	Board of Vocational Nursing and Psychiatric Technicians of the State of California	5,315	288	5,202	275	360

### 3. Formal Discipline Cycle Time

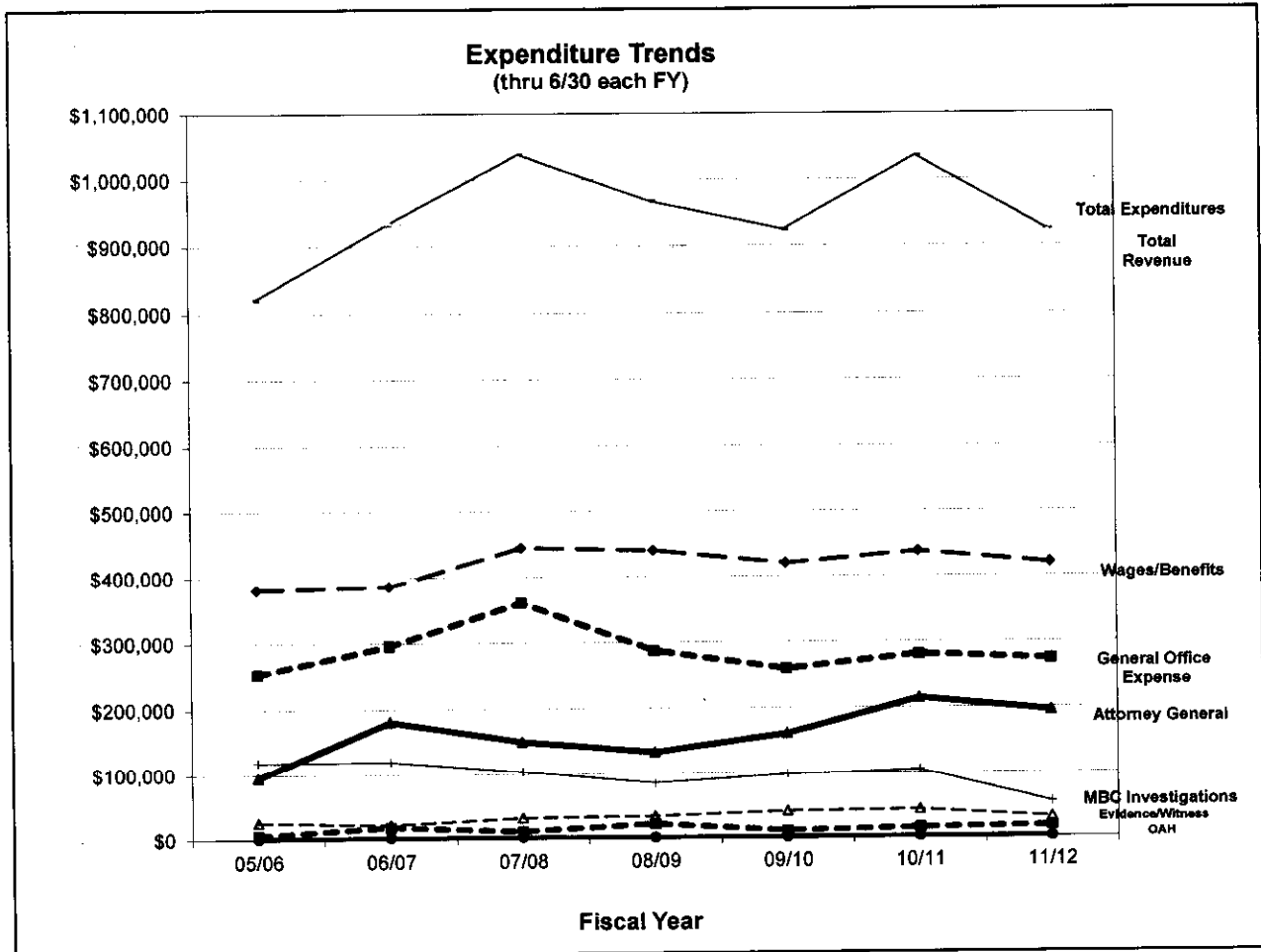
The following represent the formal discipline cases closed by the Attorney General's office after referral by the program. The cycle time in this measure includes intake and investigation by the program, and review and possible prosecution by the Attorney General's office. This data assists DCA in measuring the efficiency of the program's investigation process, and the effectiveness of their partnership with the AG's office.

Program		FY 2010-11		FY 2011-12		FY 2012-13 (Target)
		# of Cases	Avg. Cycle Time (Days)	# of Cases	Avg. Cycle Time (Days)	Avg. Cycle Time (Days)
03	California Board of Accountancy	27	782	28	787	540
06	California Architects Board	4	688	2	514	540
09	State Athletic Commission	NA	NA	NA	NA	NA
18	Board of Behavioral Sciences	91	793	84	872	540
22	Board of Barbering and Cosmetology	NA	NA	109	469	540
30	Contractors' State License Board	NA	NA	NA	NA	540
36	Dental Board of California	117	929	124	928	540
47	Dental Hygiene Committee	5	776	3	576	540
54	State Board of Guide Dogs for the Blind	NA	NA	NA	NA	NA
55	Medical Board of California	NA	NA	NA	NA	540
56	Acupuncture Board	21	654	20	582	540

**1110 – Department of Consumer Affairs Regulatory Boards**

<b>Program</b>		<b>FY 2010-11</b>		<b>FY 2011-12</b>		<b>FY 2012-13 (Target)</b>
		<b># of Cases</b>	<b>Avg. Cycle Time (Days)</b>	<b># of Cases</b>	<b>Avg. Cycle Time (Days)</b>	<b>Avg. Cycle Time (Days)</b>
58	Physical Therapy Board	56	720	44	654	540
59	Physician Assistant Committee	23	614	21	524	540
61	California Board of Podiatric Medicine	3	660	7	1,065	540
62	Board of Psychology	19	895	29	894	540
64	Respiratory Care Board	65	593	77	625	540
65	Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board	9	657	16	1,055	540
67	California Board of Occupational Therapy	12	742	20	594	540
69	State Board of Optometry	7	698	7	879	365
70	Osteopathic Medical Board of California	14	1095	17	884	540
71	Naturopathic Medicine Committee	NA	NA	NA	NA	NA
72	California State Board of Pharmacy	257	875	264	932	540
75	Board of Professional Engineers and Land Surveyors	0	0	0	0	540
78	Board of Registered Nursing	766	722	728	677	540
81	Court Reporters Board of California	NA	NA	NA	NA	NA
90	Veterinary Medical Board	29	972	28	978	740
91	Board of Vocational Nursing and Psychiatric Technicians of the State of California	192	1,083	250	1,107	540

# Exhibit G



	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12
<b>EXPENDITURES</b>									
Wages/Benefits	\$309,681	\$373,203	\$381,377	\$386,159	\$445,043	\$440,442	\$420,695	\$438,123	\$420,720
General Office Expense	\$241,427	\$238,971	\$253,435	\$295,625	\$360,290	\$287,077	\$259,343	\$280,620	\$273,386
Attorney General	\$117,537	\$145,368	\$95,350	\$181,102	\$149,872	\$133,332	\$160,945	\$214,127	\$195,370
Office of Administrative Services	\$57,410	\$26,013	\$5,631	\$18,575	\$11,242	\$22,116	\$10,692	\$15,030	\$17,674
Evidence/Witness	\$28,670	\$30,129	\$26,137	\$22,312	\$32,660	\$34,298	\$41,236	\$43,191	\$31,211
Cost Recovery	\$0	\$1,610	\$1,000	\$2,312	\$2,229	\$1,096	\$587	\$1,128	\$670
MBC Investigations	\$79,348	\$109,209	\$118,849	\$119,738	\$103,747	\$85,576	\$97,886	\$104,400	\$55,078
State Court Costs (Grants)	\$0	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$3,000	\$6,000
<b>TOTAL EXPENDITURES</b>	<b>\$786,000</b>	<b>\$868,000</b>	<b>\$821,000</b>	<b>\$932,000</b>	<b>\$1,038,000</b>	<b>\$966,000</b>	<b>\$924,000</b>	<b>\$1,035,000</b>	<b>\$923,000</b>
<b>TOTAL REVENUE</b>	<b>\$892,000</b>	<b>\$937,000</b>	<b>\$932,000</b>	<b>\$934,000</b>	<b>\$922,000</b>	<b>\$896,000</b>	<b>\$905,000</b>	<b>\$883,000</b>	<b>\$921,000</b>
Δ in Fund Balance (↑ ↓)	\$106,000	\$69,000	\$111,000	\$2,000	(\$116,000)	(\$70,000)	(\$19,000)	(\$152,000)	(\$2,000)
Renewals (E)	885	886	905	875	898	898	917	898	938

<sup>1</sup> See the following page for a breakdown of General Office Expenses.

<sup>2</sup> TOTAL EXPENDITURES - Adjusted per Fund Condition (enforcement reimbursements and other year-end adjustments). Rounded.

**Breakdown of Actual General Office Expenses**

Through 6/30 each Fiscal Year

	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12
Expenses include amount encumbered.									
<b>Fingerprints</b>	\$4,970	\$3,056	\$3,368	\$4,288	\$3,607	\$3,644	\$4,297	\$3,515	\$3,459
<b>General Expense</b>	\$7,512	\$11,690	\$14,375	\$12,643	\$17,206	\$9,080	\$10,369	\$8,052	\$6,461
Dues & Memberships	\$1,800	\$1,800	\$1,800	\$2,200	\$2,200	\$2,325	\$2,325	\$2,325	\$2,325
Misc Office Supplies	\$2,310	\$5,690	\$6,257	\$4,777	\$4,553	\$1,646	\$3,773	\$3,240	\$2,350
Gen Expense - Film/Transcription Services	\$0	\$0	\$0	\$0	\$1,800	\$0	\$0	\$0	\$515
Freight & Drayage	\$1,392	\$2,027	\$1,570	\$1,194	\$3,311	\$1,261	\$1,306	\$582	\$172
Admin Overhead - Other	\$597	\$900	\$2,211	\$2,988	\$1,714	\$2,827	\$2,015	\$1,307	\$881
Mtg/Conf/Exhibit/Sho 217.00	\$878	\$723	\$1,427	\$0	\$1,586	\$754	\$600	\$564	\$0
Library Purch/Subscrip	\$535	\$550	\$1,110	\$1,484	\$1,971	\$200	\$332	\$34	\$218
Other	\$0	\$0	\$0	\$0	\$71	\$67	\$18	\$0	\$0
<b>Printing/Copier expense <sup>1</sup></b>	\$1,103	\$2,758	\$5,241	\$6,566	\$13,708	\$11,308	\$5,575	\$6,452	\$3,191
<b>Communications</b>	\$6,296	\$6,646	\$6,986	\$6,248	\$8,708	\$16,337	\$8,133	\$6,640	\$4,928
<b>Postage</b>	\$3,513	\$3,809	\$4,790	\$5,030	\$3,880	\$3,953	\$8,552	\$3,726	\$4,261
<b>Travel: In-State</b>	\$13,967	\$9,719	\$12,363	\$17,976	\$21,710	\$19,153	\$15,440	\$14,747	\$7,185
<b>Travel: Out-of-State</b>	\$0	\$355	\$2,342	\$1,792	\$1,111	\$0	\$0	\$0	\$0
<b>Training</b>	\$1,800	\$0	\$695	\$1,070	\$123	\$23	\$0	\$375	\$50
<b>Facilities Operations <sup>2</sup></b>	\$21,076	\$21,337	\$25,104	\$54,062	\$31,189	\$39,395	\$42,685	\$43,888	\$44,253
<b>C/P Services - Interdepartmental</b>	\$0	\$574	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>C/P Services - External</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$2,000	\$0
<b>Departmental Services <sup>3</sup></b>	\$122,065	\$123,787	\$128,085	\$131,952	\$187,640	\$123,684	\$115,367	\$139,005	\$135,128
Office of Information Systems (OIS) - Pro Rata						\$31,640	\$27,962	\$42,678	\$41,010
Indirect Distrib Cost (DCA Administrative Pro Rata)						\$45,765	\$43,675	\$46,355	\$42,417
Interagency Svcs						\$0	\$0	\$0	\$0
Shared Svcs - MBC Only <sup>4</sup>	\$46,846	\$47,746	\$48,739	\$37,572	\$36,506	\$40,694	\$37,983	\$43,036	\$44,469
Division of Investigation (DOI) - Pro Rata						\$1,515	\$1,624	\$1,539	\$1,427
Public Affairs - Pro Rata						\$1,883	\$1,999	\$3,272	\$2,850
Consumer Education (CCED) Pro Rata						\$2,187	\$2,124	\$2,125	\$2,955
<b>Consolidated Data Centers</b>	\$377	\$2,995	\$3,000	\$475	\$297	\$300	\$1,465	\$2,547	\$1,397
<b>Data Processing</b>	\$1,065	\$3,068	\$0	\$3,812	\$1,926	\$410	\$39	\$3,464	\$3,649
<b>Central Administrative Services <sup>5</sup></b>	\$27,699	\$32,709	\$36,616	\$35,723	\$47,473	\$54,490	\$42,269	\$45,061	\$54,139
<b>Examinations</b>	\$0	\$9,500	\$7,026	\$5,290	\$10,704	\$1,000	\$1,377	\$0	\$0
<b>Major Equipment</b>	\$8,273	\$133	\$0	\$0	\$2,465	\$0	\$0	\$0	\$0
<b>Minor Equipment</b>	\$3,176	\$7,214	\$3,445	\$8,697	\$7,182	\$4,301	\$3,278	\$1,149	\$5,285
<b>Special Adjustments</b>	\$18,535	-\$379	\$0	\$0	\$1,362	\$0	\$0	\$0	\$0
<b>SUBTOTAL</b>	\$241,427	\$238,971	\$253,436	\$295,624	\$360,291	\$287,078	\$259,346	\$280,621	\$273,386
<b>ADJUSTMENTS</b>	\$0	\$0	-\$1	+\$1	-\$1	-1	-3	-1	0

<sup>1</sup> 07/08 - phone system for Evergreen Street location.

<sup>2</sup> 06/07 - \$30,000 added for move to Evergreen Street.

<sup>3</sup> 07/08 - \$65,000 Added for Applicant Tracking System (ATS).

<sup>4</sup> Costs associated with Licensing, Enforcement and Consumer services provided by the Medical Board.

(see next page for breakdown of MBC svcs)

<sup>5</sup> Charges for support of Personnel Board, Dept. of Finance, State Controller, State Treasurer, Legislature, Governor's Office, etc.

<b>TOTAL</b>	<b>\$241,427</b>	<b>\$238,971</b>	<b>\$253,435</b>	<b>\$295,625</b>	<b>\$360,290</b>	<b>\$287,077</b>	<b>\$259,343</b>	<b>\$280,620</b>	<b>\$273,386</b>
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**Breakdown of Medical Board Shared Services**

		FY	FY	FY	FY	FY
		07/08	08/09	09/10	10/11	11/12
Medical Board Shared Services	Description	Cost	Cost	Cost	Cost	Cost
Discipline Coordination Unit (DCU)	Charges are prorated based on the total number of cases tracked during the prior fiscal year in relation to the cost of maintaining staff for the purposes of performing a wide range of duties associated with the coordination of disciplinary actions.	\$11,551	\$15,404	\$9,370	\$9,319	\$10,383
Consumer Services: Central Complaint Unit (CCU)	Charges are prorated based on the actual number of complaints received during the prior fiscal year in relation to the cost of maintaining staff for the purposes of performing a wide range of duties associated with the management of complaints.	\$22,846	\$23,187	\$26,518	\$30,476	\$32,224
Consumer Information Unit (CIU)	Charges are prorated based on actual verification activity in relation to the cost of maintaining staff support to verify licensure of DPMs for interested parties.	\$398	\$206	\$0	\$680	\$0
Podiatric Fictitious Name Permit Registrations	Charges are based on the actual number of permits processed during the prior fiscal year in relation to the cost of maintaining clerical support to perform duties associated with the issuance and maintenance of FNPs.	\$1,711	\$1,897	\$2,095	\$2,561	\$1,862
<b>TOTAL</b>		<b>\$36,506</b>	<b>\$40,694</b>	<b>\$37,983</b>	<b>\$43,036</b>	<b>\$44,469</b>

# Exhibit H

# 0295 - Podiatric Medicine Analysis of Fund Condition

(Dollars in Thousands)

FY 2011-12 Month 13

Estimated revenue  
Estimated savings  
Proposed BreZe Funding  
Proposed BreZe Credit Card Funding

	ACTUAL 2006-07	2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11	ACTUAL 2011-12	BUDGET ACT CY	BY 2013-14	BY+1 2014-15	BY+2 2015-16	BY+3 2016-17	BY+4 2017-18	BY+5 2018-19
BEGINNING BALANCE	\$ 1,183	\$ 1,199	\$ 1,079	\$ 1,023	\$ 1,011	\$ 856	\$ 859	\$ 751	\$ 600	\$ 430	\$ 238	\$ 23	\$ (206)
Prior Year Adjustment	\$ 14	\$ (4)	\$ 14	\$ 7	\$ (3)	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 1,197	\$ 1,195	\$ 1,093	\$ 1,030	\$ 1,008	\$ 861	\$ 859	\$ 751	\$ 600	\$ 430	\$ 238	\$ 23	\$ (206)

## REVENUES AND TRANSFERS

Revenues:	\$ 8	\$ 4	\$ 6	\$ 6	\$ 7	\$ 6	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
125600 Other regulatory fees	\$ 63	\$ 47	\$ 46	\$ 56	\$ 53	\$ 58	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53
125700 Other regulatory licenses and permits	\$ 795	\$ 815	\$ 815	\$ 832	\$ 815	\$ 851	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829
125800 Renewal fees	\$ 3	\$ 3	\$ 4	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
125900 Delinquent fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 65	\$ 53	\$ 24	\$ 7	\$ 5	\$ 3	\$ 2	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and warrants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 934	\$ 922	\$ 896	\$ 905	\$ 883	\$ 921	\$ 892	\$ 892	\$ 891	\$ 891	\$ 890	\$ 890	\$ 890

Totals, Revenues and Transfers

	\$ 934	\$ 922	\$ 896	\$ 905	\$ 883	\$ 921	\$ 892	\$ 892	\$ 891	\$ 891	\$ 890	\$ 890	\$ 890
Totals, Resources	\$ 2,131	\$ 2,117	\$ 1,989	\$ 1,935	\$ 1,891	\$ 1,762	\$ 1,751	\$ 1,643	\$ 1,491	\$ 1,321	\$ 1,128	\$ 913	\$ 682

## EXPENDITURES

Disbursements:	\$ 1	\$ 1	\$ -	\$ -	\$ 1	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8880 FSCU (State Operations)													
Proposed BreZe Funding													
Proposed BreZe Credit Card Funding													
0840 State Controller (State Operations)	\$ 931	\$ 1,037	\$ 965	\$ 923	\$ 1,032	\$ 917	\$ 1,392	\$ 1,379	\$ 1,407	\$ 1,435	\$ 1,464	\$ 1,483	\$ 1,523
1110 Program Expenditures (State Operations)													
Estimated Savings													
Total Disbursements	\$ 932	\$ 1,038	\$ 966	\$ 924	\$ 1,035	\$ 923	\$ 1,000	\$ 1,043	\$ 1,061	\$ 1,063	\$ 1,105	\$ 1,121	\$ 1,123

FUND BALANCE  
Reserve for economic uncertainties

Months in Reserve

	\$ 1,199	\$ 1,079	\$ 1,023	\$ 1,011	\$ 856	\$ 859	\$ 751	\$ 600	\$ 430	\$ 238	\$ 23	\$ (208)	\$ (441)
	13.9	13.4	13.3	11.7	11.1	10.3	8.6	6.8	4.8	2.6	0.2	(2.2)	(4.6)

NOTES:  
A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED.  
B. EXPENDITURE GROWTH PROJECTED AT 2%.  
C. ASSUMES INTEREST RATE AT 1%.  
D. ACTUAL NET PROGRAM EXPENDITURES.



# 0295 - Podiatric Medicine Analysis of Fund Condition

(Dollars in Thousands)

FY 2011-12 Month 13

Estimated revenue  
Proposed BreZe Funding  
Proposed BreZe Credit Card Funding

	ACTUAL 2006-07	2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11	Actual 2011-12	BUDGET ACT CY	BY 2013-14	BY+1 2014-15	BY+2 2015-16	BY+3 2016-17	BY+4 2017-18	BY+5 2018-19
BEGINNING BALANCE	\$ 1,183	\$ 1,199	\$ 1,079	\$ 1,023	\$ 1,011	\$ 856	\$ 859	\$ 358	\$ -154	\$ -692	\$ -1,259	\$ (1,855)	\$ (2,474)
Prior Year Adjustment	\$ 14	\$ (4)	\$ 14	\$ 7	\$ (3)	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 1,197	\$ 1,195	\$ 1,093	\$ 1,030	\$ 1,008	\$ 861	\$ 859	\$ 358	\$ -154	\$ -692	\$ -1,259	\$ (1,855)	\$ (2,474)

## REVENUES AND TRANSFERS

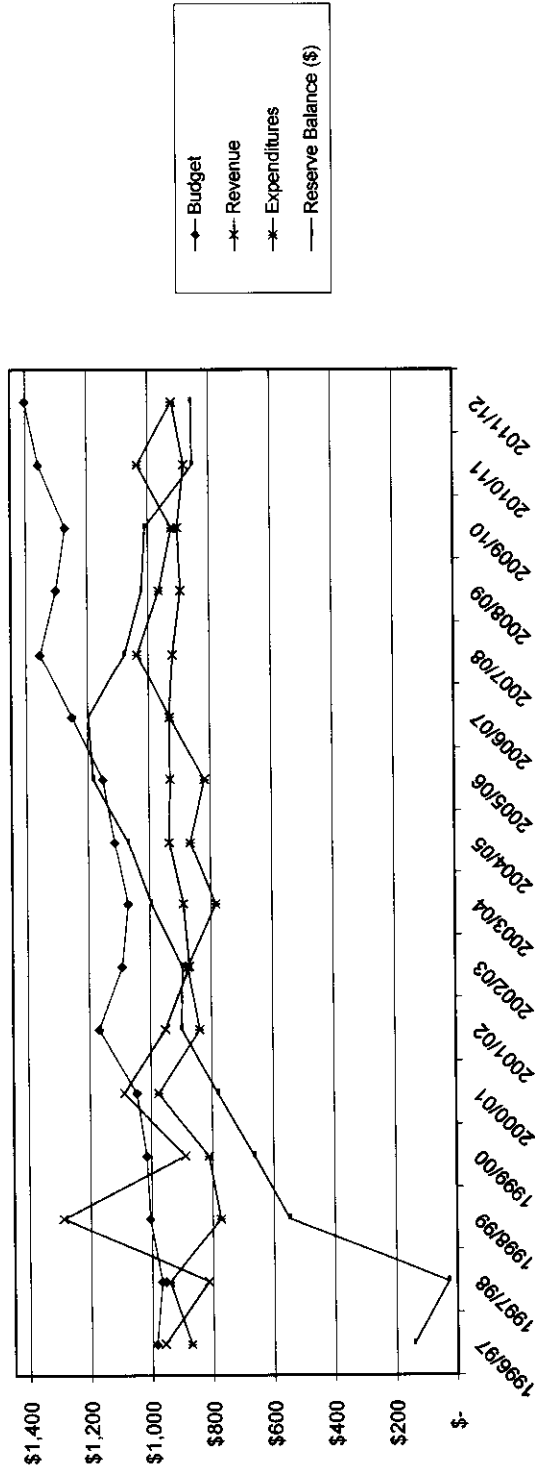
Revenues:													
125600 Other regulatory fees	\$ 8	\$ 4	\$ 6	\$ 6	\$ 7	\$ 6	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
125700 Other regulatory licenses and permits	\$ 63	\$ 47	\$ 46	\$ 56	\$ 53	\$ 58	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53
125800 Renewal fees	\$ 795	\$ 815	\$ 815	\$ 832	\$ 815	\$ 851	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829
125900 Delinquent fees	\$ 3	\$ 3	\$ 4	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 65	\$ 53	\$ 24	\$ 7	\$ 5	\$ 3	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escrow of unclaimed checks and warrants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 934	\$ 922	\$ 896	\$ 905	\$ 883	\$ 921	\$ 891	\$ 890	\$ 890	\$ 890	\$ 890	\$ 890	\$ 890
Totals, Revenues and Transfers	\$ 934	\$ 922	\$ 896	\$ 905	\$ 883	\$ 921	\$ 891	\$ 890	\$ 890	\$ 890	\$ 890	\$ 890	\$ 890
Totals, Resources	\$ 2,131	\$ 2,117	\$ 1,989	\$ 1,935	\$ 1,891	\$ 1,762	\$ 1,750	\$ 1,248	\$ 736	\$ 198	\$ -369	\$ (955)	\$ (1,584)

## EXPENDITURES

Disbursements:													
8880 FSCU (State Operations)	\$ 1	\$ 1	\$ -	\$ -	\$ 1	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed BreZe Funding													
Proposed BreZe Credit Card Funding													
0840 State Controller (State Operations)	\$ 931	\$ 1,037	\$ 965	\$ 923	\$ 1,032	\$ 917	\$ 1,392	\$ 1,379	\$ 1,407	\$ 1,435	\$ 1,464	\$ 1,493	\$ 1,523
1110 Program Expenditures (State Operations)													
Total Disbursements	\$ 932	\$ 1,038	\$ 966	\$ 924	\$ 1,035	\$ 923	\$ 1,392	\$ 1,402	\$ 1,428	\$ 1,457	\$ 1,486	\$ 1,509	\$ 1,541
FUND BALANCE													
Reserve for economic uncertainties	\$ 1,199	\$ 1,079	\$ 1,023	\$ 1,011	\$ 856	\$ 859	\$ 358	\$ -154	\$ -692	\$ -1,259	\$ -1,855	\$ (2,474)	\$ (3,125)
Months In Reserve	13.9	13.4	13.3	11.7	11.1	7.4	3.1	-1.3	-5.7	-10.2	(14.8)	(19.3)	(23.9)

NOTES:  
A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED.  
B. EXPENDITURE GROWTH PROJECTED AT 2%.  
C. ASSUMES INTEREST RATE AT 1%.  
D. ACTUAL NET PROGRAM EXPENDITURES.

# Board of Podiatric Medicine Budget History 1996 - Current



	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Budget	\$ 988	\$ 969	\$ 1,007	\$ 1,017	\$ 1,048	\$ 1,170	\$ 1,093	\$ 873	\$ 892	\$ 1,073	\$ 1,115	\$ 1,153	\$ 1,252	\$ 1,355	\$ 1,303	\$ 1,272
Revenue	\$ 959	\$ 816	\$ 1,290	\$ 889	\$ 1,089	\$ 953	\$ 873	\$ 892	\$ 937	\$ 932	\$ 932	\$ 934	\$ 922	\$ 896	\$ 905	\$ 883
% Change from Previous FY	0.0%	-0.4%	4.3%	4.5%	6.7%	0.4%	-8.4%	2.2%	5.0%	-0.5%	0.2%	0.2%	-1.3%	-2.8%	1.0%	-2.4%
Expenditures	\$ 873	\$ 944	\$ 776	\$ 814	\$ 977	\$ 841	\$ 879	\$ 786	\$ 868	\$ 821	\$ 932	\$ 1,038	\$ 966	\$ 924	\$ 1,035	\$ 923
Budget Reversion <sup>1</sup>	\$ 115	\$ 25	\$ 231	\$ 203	\$ 71	\$ 329	\$ 214	\$ 287	\$ 247	\$ 332	\$ 317	\$ 337	\$ 348	\$ 324	\$ 480	\$ 480
Fund Reversion (+/- reserve) <sup>2</sup>	\$ 86	\$ (128)	\$ 514	\$ 75	\$ 112	\$ 112	\$ (6)	\$ 106	\$ 69	\$ 111	\$ 2	\$ (116)	\$ (70)	\$ (19)	\$ (152)	\$ (2)
Adjustments	\$ 15	\$ 6	\$ 39	\$ 7	\$ 5	\$ 3	\$ 3	\$ (7)	\$ 5	\$ 2	\$ 14	\$ (4)	\$ 14	\$ 7	\$ (3)	\$ 5
Reserve Balance (\$)	\$ 143	\$ 30	\$ 550	\$ 664	\$ 763	\$ 900	\$ 897	\$ 996	\$ 1,070	\$ 1,183	\$ 1,199	\$ 1,079	\$ 1,023	\$ 1,011	\$ 856	\$ 859
Reserve Balance (mos)	1.8	0.5	8.1	8.2	11.2	12.3	13.7	13.8	15.6	15.2	13.9	13.4	13.3	11.7	11.1	10.3

## NOTES:

<sup>1</sup> Budget reversion = (total budget authority) - (total expenditures)

<sup>2</sup> Fund reversion = (total revenues) - (total expenditures)

## Revenue

Malibu Transfer from General Fund  
(funds previously loaned to GF)

1996/97 - \$139,564

1998/99 - \$438,550

2000/01 - \$140,115

## Expenditures

Office move (Howe Ave to Evergreen St)

2006/07 - Facility moving services - \$30,000

2007/08 - Applicant Tracking System - \$65,000

# Exhibit I

# 0295 - Podiatric Medicine Analysis of Fund Condition

(Dollars in Thousands)

FY 2011-12 Month 13

Estimated revenue

Estimated savings

Proposed BreEze Funding

Proposed BreEze Credit Card Funding

Prepared 10/22/2012

	ACTUAL 2006-07	2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11	ACTUAL 2011-12	BUDGET ACT CY	2012-13	BY 2013-14	BY+1 2014-15	BY+2 2015-16	BY+3 2016-17	BY+4 2017-18	BY+5 2018-19
BEGINNING BALANCE	\$ 1,183	\$ 1,199	\$ 1,079	\$ 1,023	\$ 1,011	\$ 856	\$ 859	\$ 859	\$ 751	\$ 800	\$ 430	\$ 238	\$ 23	\$ (208)
Prior Year Adjustment	\$ 14	\$ (4)	\$ 14	\$ 7	\$ (3)	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 1,197	\$ 1,195	\$ 1,093	\$ 1,030	\$ 1,008	\$ 861	\$ 859	\$ 859	\$ 751	\$ 800	\$ 430	\$ 238	\$ 23	\$ (208)

## REVENUES AND TRANSFERS

Revenues:

125600 Other regulatory fees	\$ 8	\$ 4	\$ 6	\$ 6	\$ 7	\$ 6	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
125700 Other regulatory licenses and permits	\$ 63	\$ 47	\$ 46	\$ 56	\$ 53	\$ 56	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53
125800 Renewal fees	\$ 795	\$ 815	\$ 815	\$ 832	\$ 815	\$ 851	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829
125900 Delinquent fees	\$ 3	\$ 3	\$ 4	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money/investments	\$ 65	\$ 53	\$ 24	\$ 7	\$ 5	\$ 3	\$ 2	\$ 2	\$ 2	\$ 1	\$ 1	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Excess of undclaimed checks and warrants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 934	\$ 922	\$ 896	\$ 905	\$ 883	\$ 921	\$ 892	\$ 892	\$ 892	\$ 891	\$ 891	\$ 890	\$ 890	\$ 890

Totals, Revenues and Transfers

Totals, Resources

## EXPENDITURES

Disbursements:

8880 FSCU (State Operations)	\$ 1	\$ 1	\$ -	\$ -	\$ 1	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed BreEze Funding														
Proposed BreEze Credit Card Funding														
0840 State Controller (State Operations)	\$ 931	\$ 1,037	\$ 965	\$ 923	\$ 1,032	\$ 917	\$ 1,392	\$ 1,379	\$ 1,407	\$ 1,407	\$ 1,435	\$ 1,464	\$ 1,493	\$ 1,523
1110 Program Expenditures (State Operations)							\$ (362)	\$ (359)	\$ (367)	\$ (367)	\$ (374)	\$ (381)	\$ (388)	\$ (418)
Estimated Savings														
Total Disbursements	\$ 932	\$ 1,038	\$ 966	\$ 924	\$ 1,035	\$ 923	\$ 1,000	\$ 1,043	\$ 1,061	\$ 1,061	\$ 1,083	\$ 1,105	\$ 1,121	\$ 1,123

## FUND BALANCE

Reserve for economic uncertainties

Months in Reserve

NOTES:

- ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED.
- EXPENDITURE GROWTH PROJECTED AT 2%.
- ASSUMES INTEREST RATE AT 1%.
- ACTUAL NET PROGRAM EXPENDITURES.

## Prepared 10/22/2012

FY 2011-12 Month 13

**Fee increase effective 01/01/2014**

### Proposed BreZe Funding

**Question 1: What are the needs of the community?**

Prior Year Adjustment

## Abstract

Revenues:

008621	Other regulatory license
125700	Other regulatory license

123600	Renewal fees
125000	Renewal fee increase

006271	Demographic trends
141200	Sales of documents

142500	Miscellaneous services
150300	Income from annuities

160400	Sale of fixed assets
161000	Excess of undivided

161400	MISCELLANEOUS REVENUE	
	<b>Total Revenues</b>	

Total Derivatives and

Total Payments

**Dischizantem**

00001350

0040 Cinto

1110 Prog

Total Dis

**WITNESSES:** ALICE

Reserve for e

Months in Reserve

**NOTES:**

B. EXPENDITURES

#### D. ACTUAL NET

Board Meeting  
November 16, 2012  
Agenda Item I  
Page 2 of 4

# **0295 - Podiatric Medicine** **Analysis of Fund Condition** (Dollars in Thousands)

FY 2011-12 Month 13

Estimated revenue  
Fee increase effective 01/01/2014  
Proposed BreEZe Funding  
Proposed BreEZe Credit Card Funding

	ACTUAL 2006-07	2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11	ACTUAL 2011-12	BUDGET ACT CY	2012-13	BY 2013-14	BY+1 2014-15	BY+2 2015-16	BY+3 2016-17	BY+4 2017-18	BY+5 2018-19
<b>BEGINNING BALANCE</b>	\$ 1,183	\$ 1,199	\$ 1,079	\$ 1,023	\$ 1,011	\$ 856	\$ 859	\$ 859	\$ 358	\$ -120	\$ -583	\$ -1,074	\$ (1,593)	\$ (2,134)
Prior Year Adjustment	\$ 14	\$ (4)	\$ 14	\$ 7	\$ (3)	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 1,197	\$ 1,195	\$ 1,093	\$ 1,030	\$ 1,008	\$ 861	\$ 859	\$ 859	\$ 358	\$ -120	\$ -583	\$ -1,074	\$ (1,593)	\$ (2,134)
<b>REVENUES AND TRANSFERS</b>														
Revenues:														
125600 Other regulatory fees	\$ 8	\$ 4	\$ 6	\$ 6	\$ 7	\$ 6	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
125700 Other regulatory licenses and permits	\$ 63	\$ 47	\$ 46	\$ 56	\$ 53	\$ 58	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53	\$ 53
125800 Renewal fees	\$ 795	\$ 815	\$ 815	\$ 832	\$ 815	\$ 851	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829	\$ 829
125900 Renewed fee increase (\$6000)	\$ 3	\$ 3	\$ 4	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
125900 Delinquent fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ 65	\$ 53	\$ 24	\$ 7	\$ 5	\$ 3	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161000 Escrow of undelivered checks and warrants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 934	\$ 922	\$ 896	\$ 905	\$ 883	\$ 921	\$ 891	\$ 891	\$ 924	\$ 965	\$ 966	\$ 967	\$ 968	\$ 969
Totals, Revenues and Transfers	\$ 934	\$ 922	\$ 896	\$ 905	\$ 883	\$ 921	\$ 891	\$ 891	\$ 924	\$ 965	\$ 966	\$ 967	\$ 968	\$ 969
Totals, Resources	\$ 2,131	\$ 2,117	\$ 1,989	\$ 1,935	\$ 1,891	\$ 1,782	\$ 1,750	\$ 1,750	\$ 1,282	\$ 845	\$ 383	\$ -107	\$ (625)	\$ (1,165)

## **EXPENDITURES**

Disbursements:  
8880 FSCU (State Operations)  
Proposed BreEZe Funding  
Proposed BreEZe Credit Card Funding  
0840 State Controller (State Operations)  
1110 Program Expenditures (State Operations)

	\$ 1	\$ 1	\$ -	\$ -	\$ 1	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 931	\$ 1,037	\$ 965	\$ 923	\$ 1,032	\$ 917	\$ 1,392	\$ 1,392	\$ 1,379	\$ 1,407	\$ 1,435	\$ 1,464	\$ 1,493	\$ 1,523
Total Disbursements	\$ 932	\$ 1,038	\$ 966	\$ 924	\$ 1,035	\$ 923	\$ 1,392	\$ 1,392	\$ 1,402	\$ 1,428	\$ 1,457	\$ 1,486	\$ 1,509	\$ 1,541
<b>FUND BALANCE</b>	\$ 1,199	\$ 1,079	\$ 1,023	\$ 1,011	\$ 856	\$ 859	\$ 358	\$ -120	\$ -583	\$ -1,074	\$ -1,593	\$ (2,134)	\$ (2,706)	\$ (3,271)
Reserve for economic uncertainties	13.9	13.4	13.3	11.7	11.1	7.4	3.1	-1.0	-4.8	-8.7	-16.6	-27.7	-41.3	-54.9
Months in Reserve														

NOTES:  
A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED.  
B. EXPENDITURE GROWTH PROJECTED AT 2%.  
C. ASSUMES INTEREST RATE AT 1%.  
D. ACTUAL NET PROGRAM EXPENDITURES.

**FACILITIES/PRO RATA/ENFORCEMENT EXPENDITURES VS. REVENUE**  
**BOARD OF PODIATRIC MEDICINE**  
 FISCAL YEARS 03/04 - 11/12



	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Facilities Operations	\$21,076	\$21,337	\$25,104	\$54,062	\$31,189	\$39,305	\$42,685	\$43,888	\$44,253	-	-	-	-	-
Departmental Services	\$122,065	\$123,787	\$128,085	\$131,852	\$187,640	\$123,684	\$115,367	\$139,006	\$135,128	-	-	-	-	-
Central Administrative Services	\$27,698	\$32,709	\$36,616	\$35,723	\$47,473	\$54,460	\$42,269	\$45,061	\$54,136	-	-	-	-	-
Attorney General	\$117,537	\$145,368	\$85,350	\$181,102	\$149,872	\$133,332	\$160,945	\$214,127	\$195,370	-	-	-	-	-
BreZe Implementation/Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BreZe Transaction Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FIXED/CRITICAL COSTS	\$288,377	\$323,201	\$285,155	\$402,839	\$416,174	\$350,901	\$361,266	\$442,081	\$428,890	NDA	NDA	NDA	NDA	NDA
TOTAL EXPENDITURES	\$768,000	\$868,000	\$821,000	\$932,000	\$1,038,000	\$966,000	\$924,000	\$1,035,000	\$923,000	\$1,000,000	\$1,043,000	\$1,061,000	\$1,083,000	\$1,105,000
TOTAL REVENUE	\$892,000	\$937,000	\$937,000	\$934,000	\$922,000	\$956,000	\$905,000	\$963,000	\$921,000	\$882,000	\$962,000	\$991,000	\$991,000	\$990,000
FUND BALANCE <sup>1</sup>	\$996,000	\$1,070,000	\$1,183,000	\$1,199,000	\$1,079,000	\$1,023,000	\$1,011,000	\$856,000	\$859,000	\$761,000	\$690,000	\$430,000	\$238,000	\$23,000
% Δ	N/A	7.43%	10.56%	1.35%	-10.01%	-5.19%	-1.17%	-15.33%	0.35%	-12.57%	-20.11%	-28.33%	-44.65%	-90.34%
Renewals (E)	885	886	905	875	898	898	917	888	938	913 (proj)	913 (proj)	913 (proj)	913 (proj)	913 (proj)

<sup>1</sup> FUND BALANCE - Includes prior year adjustments. Changes may not correspond with Revenue/Expenditure figures.

# Exhibit J





NEIL B. MANSDORF, DPM, *President*  
KRISTINA M. DIXON, MBA

STATE AND CONSUMER SERVICES AGENCY • GOVERNOR BROWN'S BROWNUP  
Medical Board of California  
**BOARD OF PODIATRIC MEDICINE**  
2005 Evergreen Street, Suite 1300 Sacramento, CA 95815-3831  
P (916) 263-2647 F (916) 263-2651 [www.bpm.ca.gov](http://www.bpm.ca.gov)

JAMES J. LONGOBARDI, DPM, MBA, *Vice President*



EDWARD E. BARNES  
KAREN L. WRUBEL, DPM

## 5. Legislative Committee

Ms. Dixon, *chair*  
Dr. Wrubel, *vice*

### a. Overview ..... J

Governor Brown's September 14 signature of SB 1236 brought our 2011-12 Sunset Review to a successful conclusion. The new practice act provisions take effect January 1.

There will be issues to follow up in the future, but the Board's immediate task for 2013 is to work with the Department and others on the renewal fee increase recommended by DCA and endorsed at our last meeting.

### b. SB 1236 of 2012 ..... K

- BPM is extended to January 1, 2017 [§2460]
- B&P Code §2335 is amended so that only one vote is needed to Hold a proposed Final Order for an actual discussion by the jury (closed session) at the next Board Meeting
- Obsolete, confusing language regarding history & physical exams [§2472(f)] is sunsetted
- §2475 is amended to increase the statutory limit on DPM postgraduate training, which should have been sunsetted altogether, from 4 to 8 years
- Obsolete, confusing language regarding passing scores on Part III of the national exam [§2493(b)] is sunsetted
- The Board is authorized to increase cost recovery (not to exceed actual costs) when it non-adopts an administrative law judge's proposed decision and makes its own [§2497.5]

### c. Renewal fee increase proposal ..... L

BPM testified to the Senate March 12 that our revenue had not matched expenses since FY 2007 and that we would pass on \$18-convenience fees for soon-to-be possible online renewals (2% x \$900) in order to stay solvent. The next day, we agreed with the Department to absorb the estimated \$15,000 a year. The Department agreed to use its resources and influence, with our vigorous support, to secure a renewal fee increase permitting us to fund this and other rising costs.

October 25, 2012

**"Boards are established to protect the people of California."  
Section 101.6, B&P Code**

**Rathlesberger, Jim@DCA**

---

**From:** Kidane, Awet@DCA  
**Sent:** Wednesday, March 14, 2012 8:23 AM  
**To:** Rathlesberger, Jim@DCA; Kidane, Awet@DCA  
**Cc:** Mayorga, Sandra@DCA  
**Subject:** Re: What we have agreed to

That is it my friend. Thank you

Sent from my Samsung Epic™ 4G

"Rathlesberger, Jim@DCA" <[Jim.Rathlesberger@dca.ca.gov](mailto:Jim.Rathlesberger@dca.ca.gov)> wrote:

1. You will recommend a renewal fee increase backed by a budget office fund condition analysis
2. I will secure support (or lack of opposition) from the Board and licensees
3. I have already begun, and am scheduled before the LA County CPMA Caucus June 5 and the CPMA House of Delegates June 6
4. DCA will get this renewal fee increase into legislation and passed
5. I will do my all in support of the Department in winning enactment of that provision, whatever vehicle you choose, e.g., a budget trailer bill or the B&P sunset extension bill
6. Assuming enactment of the fee increase, BPM staff will post BreEZe online renewal when available without a convenience fee assessment to licensees

# Exhibit K



STATE AND CONSUMER SERVICES AGENCY • GOVERNOR EDMUND G. BROWN JR.  
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NEIL B. MANSDORF, D.P.M., *President*  
KRISTINA M. DIXON, M.B.A.

JAMES J. LONGOBARDI, D.P.M., *Vice President*

EDWARD E. BARNES  
KAREN L. WRUBEL, D.P.M.

September 4, 2012

The Honorable Edmund G. Brown Jr.  
Governor  
State Capitol  
Sacramento, CA 95814

Subject: Board of Podiatric Medicine Supports **SB 1236**

Dear Governor Brown:

The Board of Podiatric Medicine strongly supports SB 1236 and respectfully requests your signature.

SB 1236 is the sunset bill extending the Board for an additional four years and updating several Business & Professions Code sections that we administer.

Thank you very much for your leadership and consideration,

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Rathlesberger".

Jim Rathlesberger  
Executive Officer  
Board of Podiatric Medicine  
263-2650 direct  
834-2445 cell

# SPLITTING THE DIFFERENCES

BY JIM RATHLESBERGER, MPA  
EXECUTIVE OFFICER, BPM

BPM's Sunset Extension Bill SB 1236 is nearing final enactment.

Most of last year was spent preparing our Report. This year included fighting to stay on track and not be postponed another year after all the work we had done. When SB 1236 first came out in print, we delighted in finding all of our recommendations included. There had been reason to expect none except the simple four-year extension.

Then there was intense prep work for the first Senate hearing March 12, immediately followed by clarifications from higher authorities that we would indeed be absorbing and not passing on \$18-per-transaction convenience fees for online license renewals slated to begin later this year (2% x \$900). The Department committed to securing enactment of a renewal fee increase next year to maintain a solvent fund balance for this and other rising costs.

Then, prior to Senate Appropriations hearings, another association often interested in podiatric matters questioned SB 1236's sunseting of obsolete language restricting H&Ps and provision of a single-scope (deleting the pre/post 1984 licensure date distinction). We fought to retain both sunsets, but the ways of the world meant we won one (H&Ps) and lost one (sunseting the two-tier scope).

To our surprise, after the bill passed Assembly Business & Professions, still without a single no vote in either house and with

support of all the associations, the Department of Consumer Affairs raised the prospect of a gubernatorial veto, informing us it had an approved "Oppose Unless Amended" position.

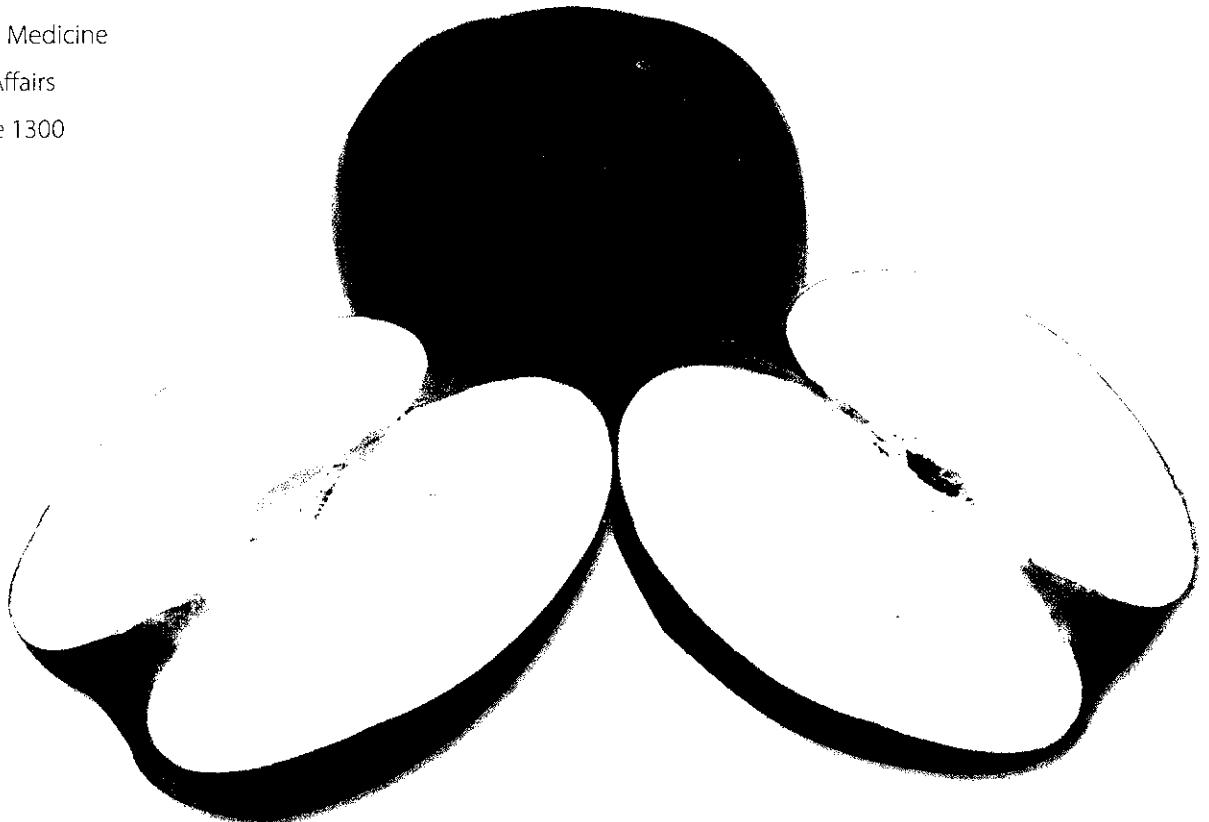
This focused on two of what the Assembly Appropriations Committee Bill Analysis called "several other clarifying and minor provisions."

The Department opposed BPM's language simply reiterating current law regarding unlicensed diagnosing and prescribing (in regard to orthotic type devices). More importantly, DCA opposed our sunseting the 4-year cap on graduate medical education that our residencies and fellowships are already bumping up against. Again, we split the difference, fighting to prevent imminent blocking of advanced training for young doctors already heavily invested and advancing clinical research and standards of care.

Stepping up big time to help were: Drs. Lawrence B. Harkless and Lester J. Jones, the deans of our new school. Barry Scurran, DPM, a dean of our diplomatic corps. And the podiatric physician leaders of APMA—President Joseph M. Caporusso, CEO Glenn B. Gastwirth, and Trustee Jeffrey R. DeSantis.

We fought to rid the California law book of the last known statutory restriction on education anywhere in this country. We didn't get it, but there will be another day. We did get the cap raised from four to eight years.

California Board of Podiatric Medicine  
Department of Consumer Affairs  
2005 Evergreen Street, Suite 1300  
Sacramento, CA 95815  
[www.bpm.ca.gov](http://www.bpm.ca.gov)  
916-263-2651 fax  
916.263.2647



# Exhibit L

## Rathlesberger, Jim@DCA

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**From:** Rathlesberger, Jim@DCA  
**Sent:** Friday, September 28, 2012 11:08 AM  
**To:** 'Neil Mansdorf'; 'James Longobardi'; 'Kristina M. Dixon MBA'; ' (faseddie@earthlink.net)'; 'Karen Lynn Wrubel'  
**Subject:** Our final fee increase draft to DCA  
**Attachments:** BPM - Statutory Cap Fee Increase (JR edits).doc; RE: Fund Condition

**From:** Rathlesberger, Jim@DCA  
**Sent:** Thursday, September 27, 2012 11:35 AM  
**To:** Matsunami, Mischa@DCA  
**Cc:** Espera, Jennifer@DCA; Schick, Taylor@DCA; Clover, Dawn@DCA  
**Subject:** RE: BPM - Statutory Cap Fee Increase.doc

I will defer to Budget and Leg office on that. That is technically correct but my sense is that Taylor and Janice would never allow that to occur. They will adjust 2013-2014 budget instead. Our stating 2013-2014 in this document may be throwing too much into the stew in this document. We need this to be short, sweet, clear, simple and accurate. "By fiscal year (FY) 2014-15" is absolutely true and does not need a footnote or long discussion. The Agency Secretary will perhaps give Awet five minutes to make the case and if we bog it down in too much detail that may only confuse the picture rather than make the sale. On the other hand, Taylor, Janice, Tracy and Awet may want to tie this to the formulation of the 2013-14 budget to stress the urgency – so I defer and suggest we let DCA decide that.

**From:** Matsunami, Mischa@DCA  
**Sent:** Thursday, September 27, 2012 11:11 AM  
**To:** Rathlesberger, Jim@DCA  
**Cc:** Matsunami, Mischa@DCA  
**Subject:** RE: BPM - Statutory Cap Fee Increase.doc

Page 1 – ID of Problem. "...with full budget expenditure, the Board would be insolvent by fiscal year (FY) 2014-15." Should be **2013-14**, per FC analyses. Give OK and I will notify Dawn.

Revised DCA FCs also attached. Consistent with content of proposal.

**From:** Rathlesberger, Jim@DCA  
**Sent:** Thursday, September 27, 2012 10:44 AM  
**To:** Matsunami, Mischa@DCA; Clover, Dawn@DCA  
**Subject:** RE: BPM - Statutory Cap Fee Increase.doc

Here are my edits. Thanks Dawn! Thanks Mischa!

**From:** Rathlesberger, Jim@DCA  
**Sent:** Thursday, September 27, 2012 8:54 AM  
**To:** Matsunami, Mischa@DCA; Clover, Dawn@DCA  
**Subject:** RE: BPM - Statutory Cap Fee Increase.doc

I will review and may suggest some editing.



STATE AND CONSUMER SERVICES  
AGENCY

Request for Approval of  
Proposed Legislation

<b>CONFIDENTIAL-Government Code §6254(l)</b>	
Department: Department of Consumer Affairs	Governor's Office #
Agency Log #	
Subject/Title: Board of Podiatric Medicine: Statutory Fee Cap Increase	

### SUMMARY

This legislative proposal would help stabilize the Board of Podiatric Medicine (Board) fund and enable the Board to continue carrying out its consumer protection and licensing functions.

### IDENTIFICATION OF PROBLEM

Departmental and statewide *pro rata* expenditures have steadily increased while Board revenues have remained nearly static. Renewal fees account for 90% of the Board's annual revenue, but the licensee base fell below and has remained under 2,000 doctors since 1993. The increased operating costs have led to a gradual depletion of the Board's fund reserve. Board revenues have not equaled expenditures since fiscal year (FY) 2006-07. Without this fee increase, the Board's special fund will likely approach insolvency no later than fiscal year (FY) 2016-17 even with its continued tight budget management and aggressive cost cutting. The Department of Consumer Affairs Budget Office projections indicate that with full budget expenditure, the Board would be insolvent by fiscal year (FY) 2014-15. Given volatile enforcement cases, it is essential to maintain a reserve capability for responding effectively to public protection challenges.

### PROPOSED SOLUTION

Amend Business and Professions Code Section 2499.5(d) to reflect a biennial license renewal fee increase from \$900 to \$990. The Board maintains very strict budget management practices and limits expenditures to those absolutely critical to Board operations. Staffing levels are at a minimum level, with five staff managing the Board's licensing, enforcement and administrative functions. As a result, there is no other alternative that would improve the Board's long-term fund solvency without compromising its mandated consumer protection and licensing programs. This fee increase would extend the Board's special fund solvency through fiscal year (FY) 2018-19.

### JUSTIFICATION

The Board does not have authority to increase fees administratively. The biennial renewal fee was temporarily increased from \$800 to \$900 in 2000 by AB 1252 (Wildman, Chapter 977, Statutes of 1999). This was made permanent in 2004 by SB 1549 (Figueroa, Chapter 691, Statutes of 2004). Since then, departmental *pro rata*, enforcement costs (e.g., hourly Attorney General rates), and other non-discretionary costs have increased, while the Board's licensee base has remained under 2,000 podiatric medical doctors since 1993. The increase in expenditures and flat revenue are seriously eroding the Board's fund reserve.



Renewal fees account for approximately 90% of the Board's revenue. This proposal will help offset increases in program operating costs and enable the Board to absorb additional expenditures associated with the department-wide BreZE project. Enforcement costs average over 30% of the Board's annual expenditures, but can vary significantly in the event of complex, protracted Medical Board investigations and Attorney General prosecutions. It is imperative for the Board to project and maintain a strong consumer protection law enforcement capability. Otherwise, the integrity of program can be compromised.

Departments Which May Be Affected: Department of Consumer Affairs	Approved Author:
Suggested Author:	Governor's Office Use Only: _____ To Legislative Counsel Only By/Date:
Department Director/Date:	Governor's Office Use Only: Final _____ Approved _____ Disapproved
Type Name Here	By: _____ Date: _____
Agency Secretary/Date:	
Type Name Here	

### PROGRAM BACKGROUND/LEGISLATIVE HISTORY

AB 1252 (Wildman, Chapter 977, Statutes of 1999) temporarily increased the Board's biennial renewal fee from \$800 to \$900.

SB 1549 (Figueroa, Chapter 691, Statutes of 2004) made the biennial \$900 renewal fee permanent.

### ARGUMENTS PRO AND CON

**Pro** – Will support long-term solvency of the Board's special fund and enable the Board to carry out its legislatively-mandated functions.

**Con** – A moderate fee increase. Licensees support this in order to maintain the Board and the high standards and integrity of their profession.

### PROBABLE SUPPORT AND OPPOSITION

**Support** – Board of Podiatric Medicine, Department of Consumer Affairs, California Podiatric Medical Association

**Opposition** – Minority Caucus staff may oppose.

### FISCAL IMPACT:

This proposal will help stabilize the Board's long-term fund condition. There is no impact to other state departments or to the General Fund. The Board's operations are entirely special funded through the California Board of Podiatric Medicine Fund, to which this proposal will contribute.

The Department's Budget Office estimates revenue increases of \$34,000 in FY 2013-14 and \$75,000 for FY 2014-15 and thereafter. The revenue will help the Board maintain licensing and enforcement. It will help to offset future costs and fees associated with department-wide system improvements (e.g., BreEZe). No additional Personnel Years or a Budget Change Proposal are required.

**ECONOMIC IMPACT**

There would be no significant impact on local or federal government or the public. There would be a moderate impact on the Board's licensees of \$45 per year.

**COMPARISON WITH OTHER STATES**

Doctor of Podiatric Medicine (DPM) license renewal fees vary in each state depending on the number of state licensees, the organizational structure of the licensing authority, and the degree and costs of enforcement.

**PERFORMANCE INDICATORS**

The Board's fund condition reports as provided by the Department of Consumer Affairs Budget Office (assuming full budget expenditure) and the Board's own analyses reflecting ongoing cost cutting and close budget management.

**OTHER AFFECTED AGENCIES AND THEIR ROLES/VIEWS**

N/A

**APPOINTMENTS**

N/A

**DRAFT LANGUAGE**

Please amend Section 2499.5(d) of the Business and Professions Code to read:

**2499.5.** The following fees apply to certificates to practice podiatric medicine. The amount of fees prescribed for doctors of podiatric medicine shall be those set forth in this section unless a lower fee is established by the board in accordance with Section **2499.6.** Fees collected pursuant to this section shall be fixed by the board in amounts not to exceed the actual costs of providing the service for which the fee is collected.

(a) Each applicant for a certificate to practice podiatric medicine shall pay an application fee of twenty dollars (\$20) at the time the application is filed. If the applicant qualifies for a certificate, he or she shall pay a fee which shall be fixed by the board at an amount not to exceed one hundred dollars (\$100) nor less than five dollars (\$5) for the issuance of the certificate.

(b) The oral examination fee shall be seven hundred dollars (\$700), or the actual cost, whichever is lower, and shall be paid by each applicant. If the applicant's credentials are insufficient or if the applicant does not desire to take the examination, and has so notified the board 30 days prior to the examination date, only the examination fee is returnable to the applicant. The board may charge an examination fee for any subsequent reexamination of the applicant.

(c) Each applicant who qualifies for a certificate, as a condition precedent to its issuance, in addition to other fees required by this section, shall pay an initial license fee. The initial license fee shall be eight hundred dollars (\$800). The initial license shall expire the second year after its issuance on the last day of the month of birth of the licensee. The board may reduce the initial license fee by up to 50 percent of the amount of the fee for any applicant who is enrolled in a postgraduate training program approved by the board or who has completed a postgraduate training program approved by the board within six months prior to the payment of the initial license fee.

(d) The biennial renewal fee shall be nine hundred ninety dollars ~~(\$900)~~ (\$990). Any licensee enrolled in an approved residency program shall be required to pay only 50 percent of the biennial renewal fee at the time of his or her first renewal.

(e) The delinquency fee is one hundred fifty dollars (\$150).

(f) The duplicate wall certificate fee is forty dollars (\$40).

(g) The duplicate renewal receipt fee is forty dollars (\$40).

(h) The endorsement fee is thirty dollars (\$30).

(i) The letter of good standing fee or for loan deferment is thirty dollars (\$30).

(j) There shall be a fee of sixty dollars (\$60) for the issuance of a resident's license under Section 2475.

(k) The application fee for ankle certification under Section 2472 for persons licensed prior to January 1, 1984, shall be fifty dollars (\$50). The examination and reexamination fee for this certification shall be seven hundred dollars (\$700).

(l) The filing fee to appeal the failure of an oral examination shall be twenty-five dollars (\$25).

(m) The fee for approval of a continuing education course or program shall be one hundred dollars (\$100).