

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 1111	Department Consumer Affairs	Priority No. 1
Budget Request Name 1111-007-BCP-BR-2016-GB		Program <b>MULTIPLE</b>	Subprogram

Budget Request Description  
 Department of Justice (Senate Bill 467, Chapter 656, Statutes of 2015)

Budget Request Summary

Senate Bill (SB) 467 (Hill, Chapter 656, Statutes of 2015) requires the Department of Justice (DOJ) to submit a report to the Department of Consumer Affairs (DCA), the Governor, and the appropriate policy committees of the Legislature that includes specific statistical information regarding cases referred to the DOJ by each constituent entity comprising the DCA and the Division of Investigation (DOI) of the DCA. DCA is requesting a budget augmentation of \$1,284,000 in FY 2016-17 and ongoing to support the increase to the DOJ's budget for additional staffing to implement the provisions of SB 467.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR       SPR      Project No.      Date:

If proposal affects another department, does other department concur with proposal?  Yes       No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By 	Date 12.15.15	Reviewed By 	Date 12.15.15
Department Director 	Date 12/15/15	Agency Secretary 	Date 12.18.15

**Department of Finance Use Only**

Additional Review:  Capital Outlay     ITCU     FSCU     OSAE     CALSTARS     Dept. of Technology

BCP Type:       Policy       Workload Budget per Government Code 13308.05

PPBA	Original signed by Jeff Carosone	Date submitted to the Legislature 1-7-16
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# BCP Fiscal Detail Sheet

BCP Title: Attorney General Reporting (SB 467)

DP Name: 1111-050-BCP-DP-2016-GB

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services - Interdepartmental	0	1,284	1,284	1,284	1,284	1,284
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>

## Fund Summary

Fund Source - State Operations

0069 - Barbering and Cosmetology Contingent Fund	0	28	28	28	28	28
0108 - Acupuncture Fund	0	7	7	7	7	7
0205 - Geology and Geophysics Account, Professional Engineers and Land Surveyors Fund	0	1	1	1	1	1
0264 - Osteopathic Medical Board of California Contingent Fund	0	13	13	13	13	13
0280 - Physician Assistant Fund	0	14	14	14	14	14
0310 - Psychology Fund	0	29	29	29	29	29
0325 - Electronic and Appliance Repair Fund	0	2	2	2	2	2
0326 - Athletic Commission Fund	0	3	3	3	3	3
0376 - Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund	0	6	6	6	6	6
0400 - Real Estate Appraisers Regulation Fund	0	12	12	12	12	12
0421 - Vehicle Inspection and Repair Fund	0	151	151	151	151	151
0704 - Accountancy Fund, Professions and Vocations Fund	0	31	31	31	31	31
0706 - California Architects Board Fund	0	1	1	1	1	1
0717 - Cemetery and Funeral Fund	0	2	2	2	2	2
0735 - Contractors License Fund	0	120	120	120	120	120
0750 - State Funeral Directors and Embalmers Fund	0	22	22	22	22	22

0757	- California Board of Architectural Examiners - Landscape Architects Fund	0	1	1	1	1	1
0758	- Contingent Fund of the Medical Board of California	0	577	577	577	577	577
0759	- Physical Therapy Fund	0	27	27	27	27	27
0763	- State Optometry Fund, Professions and Vocations Fund	0	8	8	8	8	8
0767	- Pharmacy Board Contingent Fund, Professions and Vocations Fund	0	75	75	75	75	75
0769	- Private Investigator Fund	0	2	2	2	2	2
0770	- Professional Engineer's, Land Surveyor's, and Geologist's Fund	0	25	25	25	25	25
0773	- Behavioral Science Examiners Fund, Professions and Vocations Fund	0	37	37	37	37	37
0779	- Vocational Nurse and Psychiatric Technician Examiners Fund, Professions and Vocations Fund	0	68	68	68	68	68
0780	- Psychiatric Technicians Account, Vocational Nursing and Psychiatric Technicians Fund	0	17	17	17	17	17
3017	- Occupational Therapy Fund	0	4	4	4	4	4
3108	- Professional Fiduciary Fund	0	1	1	1	1	1
<b>Total State Operations Expenditures</b>		<b>\$0</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>
<b>Total All Funds</b>		<b>\$0</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>

## Program Summary

### Program Funding

1100	- California Board of Accountancy	0	31	31	31	31	31
1115	- Board of Behavioral Sciences	0	37	37	37	37	37
1125	- Board of Barbering and Cosmetology	0	28	28	28	28	28
1155	- Acupuncture Board	0	7	7	7	7	7
1160	- Physical Therapy Board of California	0	27	27	27	27	27
1165	- Physician Assistant Board	0	14	14	14	14	14
1175	- Board of Psychology	0	29	29	29	29	29
1185	- Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board	0	6	6	6	6	6
1190	- California Board of Occupational Therapy	0	4	4	4	4	4
1195	- State Board of Optometry	0	8	8	8	8	8

1210	- California State Board of Pharmacy	0	75	75	75	75	75
1440	- Bureau of Real Estate Appraisers	0	12	12	12	12	12
1450	- Professional Fiduciaries Bureau	0	1	1	1	1	1
1105019	- California Architects Board	0	1	1	1	1	1
1105020	- Landscape Architects Committee	0	1	1	1	1	1
1110010	- State Athletic Commission - Support	0	3	3	3	3	3
1130010	- Contractors' State License Board	0	120	120	120	120	120
1150019	- Medical Board of California - Support	0	577	577	577	577	577
1200010	- Osteopathic Medical Board of California	0	13	13	13	13	13
1215014	- Board for Professional Engineers and Land Surveyors	0	25	25	25	25	25
1215023	- Geology and Geophysicists Program	0	1	1	1	1	1
1240019	- Vocational Nurses Program	0	68	68	68	68	68
1240020	- Psychiatric Technicians Program	0	17	17	17	17	17
1405020	- Private Investigators Program	0	2	2	2	2	2
1415014	- Electronic and Appliance Repair	0	2	2	2	2	2
1420025	- Automotive Repair and Smog Check Programs - Support	0	151	151	151	151	151
1435019	- Cemetery Program	0	2	2	2	2	2
1435020	- Funeral Directors and Embalmers Program	0	22	22	22	22	22
<b>Total All Programs</b>		<b>\$0</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>	<b>\$1,284</b>

## Analysis of Problem

### A. Budget Request Summary

Senate Bill (SB) 467 (Hill, Chapter 656, Statutes of 2015) requires the Department of Justice (DOJ) to submit a report to the Department of Consumer Affairs (DCA), the Governor, and the appropriate policy committees of the Legislature that includes specific statistical information regarding cases referred to the DOJ by each constituent entity comprising the DCA and the Division of Investigation (DOI) of the DCA. DCA is requesting a budget augmentation of \$1,284,000 in FY 2016-17 and ongoing to support the increase to the DOJ's budget for additional staffing to implement the provisions of SB 467.

### B. Background/History

DCA's mission is to protect and serve the interests of California consumers. By statute, consumer protection is the primary purpose for all of the regulatory programs located within DCA, which includes 26 boards, nine bureaus, two committees, one program, and one commission. Collectively, these entities regulate more than 100 types of businesses and 200 different industries and professions. In 2015, the Senate Business, Professions and Economic Development Committee and the Assembly Business and Professions Committee (Committees) conducted joint oversight hearings to review 12 regulatory programs within DCA. This bill is intended to implement legislative changes as recommended by staff of the Committees reflected in a Background Paper on each, as well as the discussion stemming from an oversight hearing on each. This bill addresses two of the issues raised during the Sunset Review process regarding DCA, including prioritization of disciplinary cases and specific enforcement reporting requirements for the DOJ. It also addresses issues raised and improvements recommended for the DCA Consumer Protection Enforcement Initiative (CPEI) and DOJ Reporting and Complaint Prioritization. Created in 2010, CPEI was designed to reduce the average length of time it takes health care boards to take formal disciplinary action from three years to 12 to 18 months. While significant steps have been taken, most boards have failed to meet their performance targets. Boards are not entirely in control of their disciplinary process timelines, though; boards rely on the DOJ and the Office of Administrative Hearing (OAH) to perform critical functions within the enforcement process. While OAH is subject to performance measures starting January 1, 2016, the DOJ is not. This bill requires the DOJ to provide performance metrics annually to DCA, the Governor, and the appropriate policy committees of the Legislature beginning in 2017.

### C. State Level Considerations

DCA's mission is to protect consumers through effective enforcement activities and oversight of California's licensed professionals. This proposal will serve to further this mission by ensuring that the DOJ has the necessary resources to fully implement the provisions of SB 467.

### D. Justification

SB 467 would require the DOJ to submit an annual report to DCA, the Governor, and the appropriate policy committees of the Legislature, beginning January 1, 2017, that includes specific statistical information regarding cases referred to the DOJ by each constituent entity comprising the DCA and the DOI within the DCA.

This request will provide the budget authority to the Boards and Bureaus within the DCA in order to fully reimburse the DOJ for their cost to implement this reporting requirement.

### E. Outcomes and Accountability

The DCA and its Boards and Bureau's will continue to work with the DOJ to create efficiencies in the enforcement processes as outlined in the CPEI proposal. Additionally the enforcement workload and case processing times for each program within DCA reported annually as part of the Governor's Budget and should reflect overall decreases in timeframes as more resources are dedicated to this workload.

### F. Analysis of All Feasible Alternatives

1. Approve a budget augmentation of \$1,284,000 for DOJ expenses in FY 2016-17 and ongoing to reimburse the DOJ for their costs to implement the annual report as required by SB 467.

## **Analysis of Problem**

2. Status Quo. This proposal would not provide the DCA's programs with any additional authority for DOJ expenses, and would result in programs having to absorb costs from other critical program activities and possibly postpone the processing of enforcement actions which could result in the potential for consumer harm.

### **G. Implementation Plan**

Once approved, the affected programs' budgets for DOJ expenses will be increased effective July 1, 2016.

### **H. Supplemental Information**

See attached funding allocation spread.

### **I. Recommendation**

The DCA recommends alternative one as the best option to provide programs with the appropriate budget to reimburse the DOJ for their costs to implement SB 467.

# Funding Spread

(Dollars in Thousands)

<b>FI\$Cal Program Number</b>	<b>Board/Bureau</b>	<b>DOJ BCP - SB 467</b>
1100	CALIFORNIA BOARD OF ACCOUNTANCY	31
1105019	CALIFORNIA ARCHITECTS BOARD	1
1105020	LANDSCAPE ARCHITECT TECHNICAL COMMITTEE	1
1110	STATE ATHLETIC COMMISSION	3
1115	BOARD OF BEHAVIORAL SCIENCES	37
1125	BOARD OF BARBERING AND COSMETOLOGY	28
1130	CONTRACTORS' STATE LICENSE BOARD	120
1150019	MEDICAL BOARD OF CALIFORNIA	577
1155	ACUPUNCTURE BOARD	7
1160	PHYSICAL THERAPY BOARD OF CALIFORNIA	27
1165	PHYSICIAN ASSISTANT BOARD	14
1175	BOARD OF PSYCHOLOGY	29
1185	SPEECH-LANGUAGE PATHOLOGY AND AUDIOLOGY & HEARING AID DISPENSERS BOARD	6
1190	CALIFORNIA BOARD OF OCCUPATIONAL THERAPY	4
1195	STATE BOARD OF OPTOMETRY	8
1200	OSTEOPATHIC MEDICAL BOARD OF CALIFORNIA	13
1210	CALIFORNIA STATE BOARD OF PHARMACY	75
1215	BOARD FOR PROFESSIONAL ENGINEERS & LAND SURVEYORS & GEOLOGISTS	26
1240	BOARD OF VOCATIONAL NURSING & PSYCHIATRIC TECHNICIANS	85
1405020	BUREAU OF SECURITY AND INVESTIGATIVE SERVICES - PRIVATE INVESTIGATORS	2
1415014	BUREAU OF ELECTRONIC AND APPLIANCE REPAIR, HOME FURNISHINGS AND THERMAL INSULATION - ELECTRONIC & APPLIANCE REPAIR	2
1420	BUREAU OF AUTOMOTIVE REPAIR - VIRF	151
1435019	CEMETERY & FUNERAL BUREAU	24
1440	BUREAU OF REAL ESTATE APPRAISERS	12
1450	PROFESSIONAL FIDUCIARIES BUREAU	1
<b>Grand Total</b>		<b>1,284</b>