

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

| | | | |
|--|--|--|--|
| Fiscal Year 6-17 | Business Unit 1440 1111 | Department Consumer Affairs | Priority No. 1 |
| Budget Request Name 1110-022-BCP-BR-2016-GB 1111 | | Program 1200 - OSTEOPATHIC MEDICAL BOARD OF CALIFORNIA | Subprogram 1200010 - OSTEOPATHIC MEDICAL BOARD OF CALIFORNIA STATE OPERATIONS |

Budget Request Description
 Expenditure Authority Augmentation

Budget Request Summary

The Osteopathic Medical Board of California (OMBC) is requesting a budget augmentation of \$175,000 to fund the costs for three positions authorized in FY 2014-15 (BCP 1110-26). The OMBC did not request funding for the three positions due to its existing reversions at the time of the FY 2014-15 BCP. The OMBC can no longer absorb the position costs and is requesting budget authority to fund the positions.

| | | |
|--|--|------|
| 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 No | Code Section(s) to be Added/Amended/Repealed | |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 <i>[Signature]</i> | Date 8/31/15 | Reviewed By <i>Mark M. eto</i> | Date 8/31/15 |
| Department Director <i>[Signature]</i> | Date 8-31-15 | Agency Secretary <i>[Signature]</i> | Date 9-1-15 |

Department of Finance Use Only

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

Type: Policy Workload Budget per Government Code 13308.05

Original signed by

| | |
|-----------------------|---|
| PPBA Jeff Carosone | Date submitted to the Legislature 1-7-16 |
|-----------------------|---|

BCP Fiscal Detail Sheet

BCP Title: Board of Osteopathic Medicine: Office Technicians' Expenditure Authority Request

DP Name: 1111-022-BCP-DP-2016-GB

Budget Request Summary

| | FY16 | | | | | |
|---------------------------------|------------|--------------|--------------|--------------|--------------|--------------|
| | CY | BY | BY+1 | BY+2 | BY+3 | BY+4 |
| Salaries and Wages | | | | | | |
| Earnings - Permanent | 0 | 107 | 107 | 107 | 107 | 107 |
| Total Salaries and Wages | \$0 | \$107 | \$107 | \$107 | \$107 | \$107 |
| Total Staff Benefits | 0 | 68 | 68 | 68 | 68 | 68 |
| Total Personal Services | \$0 | \$175 | \$175 | \$175 | \$175 | \$175 |
| Total Budget Request | \$0 | \$175 | \$175 | \$175 | \$175 | \$175 |

Fund Summary

| | | | | | | |
|--|------------|--------------|--------------|--------------|--------------|--------------|
| Fund Source - State Operations | | | | | | |
| 0264 - Osteopathic Medical Board of California Contingent Fund | 0 | 175 | 175 | 175 | 175 | 175 |
| Total State Operations Expenditures | \$0 | \$175 | \$175 | \$175 | \$175 | \$175 |
| Total All Funds | \$0 | \$175 | \$175 | \$175 | \$175 | \$175 |

Program Summary

| | | | | | | |
|---|------------|--------------|--------------|--------------|--------------|--------------|
| Program Funding | | | | | | |
| 1200010 - Osteopathic Medical Board of California | 0 | 175 | 175 | 175 | 175 | 175 |
| Total All Programs | \$0 | \$175 | \$175 | \$175 | \$175 | \$175 |

Personal Services Details

Salaries and Wages

1139 - Office Techn (Typing)

Total Salaries and Wages

Staff Benefits

5150350 - Health Insurance

5150500 - OASDI

5150600 - Retirement - General

5150800 - Workers' Compensation

Total Staff Benefits

Total Personal Services

| | CY | BY | BY+1 | BY+2 | BY+3 | BY+4 |
|---------------------------------|------------|--------------|--------------|--------------|--------------|--------------|
| | 0 | 107 | 107 | 107 | 107 | 107 |
| Total Salaries and Wages | \$0 | \$107 | \$107 | \$107 | \$107 | \$107 |
| | 0 | 34 | 34 | 34 | 34 | 34 |
| | 0 | 8 | 8 | 8 | 8 | 8 |
| | 0 | 23 | 23 | 23 | 23 | 23 |
| | 0 | 3 | 3 | 3 | 3 | 3 |
| Total Staff Benefits | \$0 | \$68 | \$68 | \$68 | \$68 | \$68 |
| Total Personal Services | \$0 | \$175 | \$175 | \$175 | \$175 | \$175 |

Analysis of Problem

A. Budget Request Summary

The Osteopathic Medical Board of California (OMBC) is requesting a budget augmentation of \$175,000 to fund the costs for three positions authorized in FY 2014-15 (BCP 1110-26). The OMBC did not request funding for the three positions due to its existing reversions at the time of the FY 2014-15 BCP. The OMBC can no longer absorb the position costs and is requesting budget authority to fund the positions.

B. Background/History

The Board is the licensing and regulatory board for osteopathic physicians and surgeons in California. Business and Professions Code (BPC) Section (§) 3600 and the California Code of Regulations § 1600 authorizes the OMBC to license qualified osteopathic physicians and surgeons to practice osteopathic medicine, and exercise fair and judicious enforcement of laws and regulations governing their practice. The Medical Practice Act (BPC § 2001.1) requires the OMBC to ensure that protection of the consumers is the highest priority in exercising its licensing, regulatory and disciplinary functions.

The OMBC's workload has significantly increased due to the population of licensed osteopathic physicians and surgeons substantially increasing. Since 2005, the number of Osteopathic Colleges in the United States has increased from twenty three (23) to thirty six (36). During that same timeframe, the population of licensed osteopathic physicians in the United States increased from 56,500 to 92,028; and the population of licensed osteopathic physicians in California increased from 4,200 to 7,440. The American Osteopathic Association states that osteopathic physicians is the fastest growing medical profession in the United States.

The OMBC's FY 2014-15 BCP requested position authority for the three Office Technicians to address the workload associated with significant growth in its licensing population and to reduce the backlog of 252 open complaints. The OMBC is currently able to process this additional workload in an appropriate timeframe with the addition of the three positions authorized in FY 2014-15. However, the OMBC can no longer absorb the position costs and is requesting budget authority to fund the positions.

Resource History
(Dollars in thousands)

| Program Budget | PY - 4 | PY - 3 | PY - 2 | PY - 1 | PY | CY* |
|-------------------------|---------|---------|---------|---------|---------|---------|
| Authorized Expenditures | \$1,869 | \$1,968 | \$1,752 | \$1,899 | \$1,922 | \$1,936 |
| Actual Expenditures | \$1,234 | \$1,519 | \$1,373 | \$1,729 | \$1,918 | \$1,936 |
| Revenues | \$1,443 | \$1,468 | \$1,569 | \$1,641 | \$2,117 | \$1,891 |
| Authorized Positions | 11.9 | 13.0 | 8.5 | 8.4 | 11.4 | 11.4 |
| Filled Positions | 6.7 | 7.2 | 6.6 | 7.9 | 11.4 | 10.4 |
| Vacancies | 5.2 | 5.8 | 1.9 | 0.5 | 0.0 | 1.0 |

* Projected

C. State Level Considerations

State licensing boards are required to protect the consumers by licensing qualified candidates and enforcing professional laws and regulations in a fair and judicious manner as required under Business and Professions Code § 2450. With the OMBC's current level of staffing, we are able to meet these expectations; however, because of the redirection of funds within our budget, it has become impossible to maintain the level of enforcement necessary. The Board had to limit the amount of cases that were processed due to the redirection of funds from its enforcement line-items, specifically, it's expert witness budget. Approval of the request to augment OMBC's budget to cover the costs of the three

Analysis of Problem

positions authorized in FY 2014-15 would allow OMBC to continue to meet its mission, which is to protect the public.

D. Justification

The OMBC requested position authority for three positions in a FY 2014-15 BCP (1110-26). The OMBC did not request funding for these positions because, at the time, there was a sufficient amount of appropriation to absorb the costs of the additional positions within their existing resources. The licensing population of osteopathic physicians is steadily increasing. There has been an increase in enforcement costs due to an increased volume of cases referred to field investigations and the Attorney General's office for prosecution. As of March 2015, there were 53 cases pending at the Attorney General's office. In the event that the OMBC is unable to secure additional funding, it may be necessary for the OMBC to cease work on enforcement cases until the beginning of the next fiscal year. This would be inconsistent with the Consumer Protection Enforcement Initiative that DCA has undertaken to overhaul the enforcement and disciplinary processes of its healing arts boards.

The table below illustrates the OMBC's *annual* reversion since FY 2011-12. Prior to receiving authorization for the additional three positions in FY 2014-15, the OMBC's annual reversion was sufficient to absorb the additional costs within their existing resources. Due to the steady growth of the OMBC, additional funding is necessary to maintain its current service level.

| Expenditures | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-------------------------|---------|---------|---------|---------|
| Authorized Expenditures | \$1,968 | \$1,752 | \$1,899 | \$1,922 |
| Actual Expenditures | \$1,234 | \$1,373 | \$1,729 | \$1,918 |
| Reversion | \$734 | \$379 | \$170 | \$4 |

E. Outcomes and Accountability

Approval of this proposal would allow the OMBC to fully fund all aspects of its program resulting in improved efficiencies in licensing and enforcement. If the OMBC receives the funding necessary for the three positions authorized in FY 2014-15, the OMBC will be able to maintain its current service level. This would be consistent with the OMBC's mission of protecting the public.

F. Analysis of All Feasible Alternatives

Alternative 1: Approve the request for a budget augmentation in FY 2016-17 and ongoing for \$175,000 to fund the costs associate with the three positions authorized in FY 2014-15.

Pro: Approval of this proposal would allow the OMBC to fully fund all aspects of its operations, maintain its current service level and meet its mission of protecting the public.

Con: The OMBC would not have the necessary funding to maintain its current operations. This is not consistent with the Board's mission of protecting the public.

Alternative 2: Approve a budget augmentation of \$100,000 to fund a portion of the costs associated with the three positions authorized in FY 2014-15.

Pro: Approval of this proposal would allow the OMBC to temporarily fund all aspects of its operations, maintain its current service level and meet its mission of protecting the public.

Con: Osteopathic physicians is the fastest growing medical profession in the United States. As a result, the OMBC's expenditures are projected to increase as their licensee population increases. This

Analysis of Problem

alternative does not address the ongoing funding necessary for the OMBC to maintain its current operations. If this alternative is approved, the OMBC may be required to request additional funding in the near future.

Alternative 3: Approve a budget augmentation of \$50,000 to fund a portion of the costs associated with the three positions authorized in FY 2014-15.

Pro: Approval of this proposal would allow the OMBC to fund all aspects of its operations, maintain its current service level and meet its mission of protecting the public.

Con: Osteopathic physicians is the fastest growing medical profession in the United States. As a result, the OMBC's expenditures are projected to increase as their licensee population increases. This alternative does not address the ongoing funding necessary for the OMBC to maintain its current operations. If this alternative is approved, the OMBC will be required to request additional funding in the near future.

Alternative 4: Status Quo. Continue to redirect money from other budget line items.

Pro: Will not require additional funding for the three positions authorized in FY 2014-15.

Con: This not a viable option because this will create insufficient funds in mission critical line items, which could ultimately cause consumer harm. This would be inconsistent with the OMBC's mission of protecting the public.

G. Implementation Plan

Augment the OMBC's budget by \$175,000 effective July 1, 2016.

H. Supplemental Information

See attached Fund Condition and Org Chart

I. Recommendation

The OMBC recommends alternative 1. This would allow the OMBC to fully fund all aspects of its operations, maintain its current service level and meet its mission of protecting the public.

0264 Osteopathic Medical Board

Analysis of Fund Condition

8/31/15

(Dollars in Thousands)

| 2015-16 Budget Act w/ 2014-15 Actuals; and Expenditure Authority BCP, Rent BCP and proposed AG/OAH Augmentation | Budget Act | | | |
|--|-------------------|---------------|---------------|-------------------|
| | ACTUAL 2014-15 | CY 2015-16 | BY 2016-17 | BY + 1 2017-18 |
| BEGINNING BALANCE | \$ 2,979 | \$ 3,152 | \$ 3,108 | \$ 2,624 |
| Prior Year Adjustment | \$ 2 | \$ - | \$ - | \$ - |
| Adjusted Beginning Balance | \$ 2,981 | \$ 3,152 | \$ 3,108 | \$ 2,624 |
| REVENUES AND TRANSFERS | | | | |
| Revenues: | | | | |
| 125600 Other regulatory fees | \$ 17 | \$ 20 | \$ 20 | \$ 20 |
| 125700 Other regulatory licenses and permits | \$ 324 | \$ 307 | \$ 307 | \$ 307 |
| 125800 Renewal fees | \$ 1,592 | \$ 1,545 | \$ 1,545 | \$ 1,545 |
| 125900 Delinquent fees | \$ 14 | \$ 11 | \$ 11 | \$ 11 |
| 141200 Sales of documents | \$ 3 | \$ 3 | \$ 3 | \$ 3 |
| 142500 Miscellaneous services to the public | \$ - | \$ - | \$ - | \$ - |
| 150300 Income from surplus money investments | \$ 8 | \$ 9 | \$ 8 | \$ 7 |
| 150500 Interest Income From Interfund Loans | \$ - | \$ - | \$ - | \$ - |
| 160400 Sale of fixed assets | \$ - | \$ - | \$ - | \$ - |
| 161000 Escheat of unclaimed checks and warrants | \$ - | \$ - | \$ - | \$ - |
| 161400 Miscellaneous revenues | \$ - | \$ - | \$ - | \$ - |
| Totals, Revenues | \$ 1,958 | \$ 1,895 | \$ 1,894 | \$ 1,893 |
| Transfers to Other Funds | | | | |
| Transfers from Other Funds | | | | |
| Totals, Revenues and Transfers | \$ 1,958 | \$ 1,895 | \$ 1,894 | \$ 1,893 |
| Totals, Resources | \$ 4,939 | \$ 5,047 | \$ 5,002 | \$ 4,517 |
| EXPENDITURES | | | | |
| Disbursements: | | | | |
| 1110 Program Expenditures (State Operations) | \$ 1,785 | \$ 1,936 | \$ 2,078 | \$ 2,014 |
| 0840 SCO (State Operations) | \$ - | \$ - | \$ - | \$ - |
| 8880 Financial Information System of CA (State Operations) | \$ 2 | \$ 3 | \$ - | \$ - |
| Expenditure Authority BCP | \$ - | \$ - | \$ 175 | \$ 175 |
| Rent BCP | \$ - | \$ - | \$ 50 | \$ 50 |
| Proposed AG/OAH Augmentation | \$ - | \$ - | \$ 75 | \$ 75 |
| Total Disbursements | \$ 1,787 | \$ 1,939 | \$ 2,378 | \$ 2,314 |
| FUND BALANCE | | | | |
| Reserve for economic uncertainties | \$ 3,152 | \$ 3,108 | \$ 2,624 | \$ 2,203 |
| Months in Reserve | 19.5 | 15.7 | 13.6 | 12.9 |