

## **AGENDA ITEM 16**

**REPORT FROM THE AD HOC BUDGET COMMITTEE ON THE BOARD'S  
FUND CONDITION AND RECOMMENDATIONS ON FEE INCREASES AND  
ESTABLISHMENT OF OTHER MISCELLANEOUS FEES TO MAINTAIN  
FISCAL SOLVENCY.**

# CBOT - Analysis of Fund Condition

**Fee increases effective 1/1/2024**  
 OT Renewal & ILF from \$270 to \$350;  
 OTA Renewal & ILF from \$210 to \$270  
 OT Delinquent Fee inc from \$135 to \$175;  
 OTA Delinquent Fee inc from \$105 to \$135

Same fees for Inactive Renewal and Restore

Other Fee increases:  
 Regulations effective 7/1/2025

**2022-23 Governor's Budget**  
 (Dollars in Thousands)

	CY 2021-22	BY 2022-23	BY+1 2023-24	BY+2 2024-25	BY+3 2025-26	BY+4 2026-27	BY+5 2027-28	BY+6 2028-29	BY+7 2029-30
<b>BEGINNING BALANCE</b>	\$ 1,533	\$ 1,543	\$ 1,093	\$ 1,074	\$ 1,556	\$ 2,773	\$ 3,961	\$ 5,121	\$ 6,247
	\$ 1,533	\$ 1,543	\$ 1,093	\$ 1,074	\$ 1,556	\$ 2,773	\$ 3,961	\$ 5,121	\$ 6,247
<b>REVENUES AND TRANSFERS</b>									
** OT Delinquent Fee \$135	\$ 35	\$ 36	\$ 37	\$ 39	\$ 40	\$ 41	\$ 42	\$ 43	\$ 43
** OTA Delinquent Fee \$105	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8
** <b>OT Del Fee increase from \$135 to \$175</b>	\$ -	\$ -	\$ 6	\$ 12	\$ 12	\$ 12	\$ 12	\$ 13	\$ 13
** <b>OTA Del Fee from \$105 to \$135</b>	\$ -	\$ -	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
** OT Renewal Fee \$270	\$ 2,169	\$ 2,212	\$ 2,257	\$ 2,302	\$ 2,348	\$ 2,395	\$ 2,443	\$ 2,491	\$ 2,541
** OTA Renewal Fee \$210	\$ 402	\$ 410	\$ 418	\$ 427	\$ 435	\$ 444	\$ 453	\$ 462	\$ 471
<b>OT Fee Increase \$270 to \$350</b>	\$ -	\$ -	\$ 310	\$ 619	\$ 619	\$ 619	\$ 619	\$ 619	\$ 619
<b>OTA Fee Increase \$210 to \$270</b>	\$ -	\$ -	\$ 62	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124	\$ 124
Other regulatory fees	\$ 29	\$ 41	\$ 41	\$ 41	\$ 41	\$ 41	\$ 41	\$ 41	\$ 41
* OT Application Fee (1,479) @\$50	\$ 74	\$ 75	\$ 75	\$ 76	\$ 77	\$ 78	\$ 79	\$ 79	\$ 80
** <b>OT Application Fee (1,479) @\$350</b>					\$ 423	\$ 431	\$ 440	\$ 449	\$ 458
* OTA Application Fee (470) @\$50	\$ 24	\$ 24	\$ 24	\$ 25	\$ 25	\$ 25	\$ 25	\$ 26	\$ 26
** <b>OTA Application Fee (470) @\$270</b>					\$ 87	\$ 89	\$ 91	\$ 92	\$ 94
* OT Initial License Fee (1,340) @\$270	\$ 269	\$ 272	\$ 274	\$ 277	\$ 280	\$ 283	\$ 286	\$ 288	\$ 291
** <b>OT Initial License Fee (1,340) @\$350</b>				\$ 113	\$ 115	\$ 117	\$ 120	\$ 122	\$ 125
* OTA Initial License Fee (396) @\$210	\$ 62	\$ 63	\$ 63	\$ 64	\$ 65	\$ 65	\$ 66	\$ 66	\$ 67
** <b>OTA Initial License Fee (396) @\$270</b>				\$ 24	\$ 24	\$ 25	\$ 25	\$ 26	\$ 26
OT Limited Permit (60) @\$100	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
<b>OT Limited Permit (60) @\$250</b>					\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
* OTA Limited Permit (18) @\$100	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
<b>OTA Limited Permit (18) @\$150</b>			\$ -		\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
** Advanced Practice App Fee (217) @\$200	\$ -				\$ 44	\$ 45	\$ 46	\$ 47	\$ 48
** OT/OTA App for Retired Status (159) @\$25	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
** <b>OT/OTA App for Retired Status (159) @\$100</b>					\$ 16	\$ 16	\$ 17	\$ 17	\$ 17
<i>Charges for Pocket Licenses</i>									
** <b>Initial License</b> (Assume 60% of 1,569) @\$40					\$ 38	\$ 39	\$ 40	\$ 40	\$ 41
** <b>Renewed License</b> (Assume 20% of 8,745) @\$40					\$ 71	\$ 72	\$ 74	\$ 75	\$ 77
** Duplicate Pocket License (186) @\$25	\$ 4	\$ 4	\$ 5	\$ 5	\$ 5	\$ 5	\$ 6	\$ 6	\$ 6
** <b>Duplicate Pocket License (186) @\$50</b>					\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
** <b>Duplicate Wall Certificate (470)@\$50</b>					\$ 12	\$ 12	\$ 12	\$ 13	\$ 13
** License Verification (835) @\$35				\$ 29	\$ 30	\$ 31	\$ 31	\$ 32	\$ 32
* <b>License Verification (835) @\$75</b>					\$ 33	\$ 34	\$ 34	\$ 35	\$ 36
* <b>Fingerprint Cards (627) @\$50</b>					\$ 31	\$ 31	\$ 32	\$ 32	\$ 32
<b>Certified Copy of Transcript</b> (Assume 1/2 of 436) @\$35					\$ 8	\$ 8	\$ 8	\$ 8	\$ 9
<i>(estimate 1/2 of 5% of Licensees might need to send a certified copy of transcripts to another licensing board based on verification requests)</i>									
Miscellaneous services to the public	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29	\$ 29
Income from surplus money investments	\$ 3	\$ 8	\$ 9	\$ 9	\$ 10	\$ 10	\$ 12	\$ 12	\$ 13
Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Settlements and Judgments - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 3,120	\$ 3,194	\$ 3,632	\$ 4,235	\$ 5,078	\$ 5,159	\$ 5,243	\$ 5,326	\$ 5,412
<b>Totals, Resources</b>	<b>\$ 4,653</b>	<b>\$ 4,737</b>	<b>\$ 4,725</b>	<b>\$ 5,310</b>	<b>\$ 6,634</b>	<b>\$ 7,932</b>	<b>\$ 9,204</b>	<b>\$ 10,447</b>	<b>\$ 11,659</b>
<b>EXPENDITURES</b>									
Disbursements:									
Program Expenditures	\$ 2,850	\$ 3,312	\$ 3,411	\$ 3,514	\$ 3,619	\$ 3,728	\$ 3,840	\$ 3,955	\$ 4,073
<b>Other: \$50 for fee study; \$44 cc savings</b>		\$ 50	-44	-44	-44	-44	-44	-44	-44
Supplemental Pension Payments	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42
Statewide General Admin Expenditures	\$ 155	\$ 240	\$ 241	\$ 242	\$ 244	\$ 245	\$ 246	\$ 247	\$ 247
	<b>\$ 3,047</b>	<b>\$ 3,644</b>	<b>\$ 3,651</b>	<b>\$ 3,754</b>	<b>\$ 3,861</b>	<b>\$ 3,971</b>	<b>\$ 4,084</b>	<b>\$ 4,200</b>	<b>\$ 4,318</b>
<b>FUND BALANCE</b>									
Reserve for economic uncertainties	\$ 1,606	\$ 1,093	\$ 1,074	\$ 1,556	\$ 2,773	\$ 3,961	\$ 5,121	\$ 6,247	\$ 7,341
<b>Months in Reserve</b>	<b>5.2</b>	<b>3.6</b>	<b>3.4</b>	<b>5.0</b>	<b>8.6</b>	<b>12.0</b>	<b>15.0</b>	<b>17.8</b>	<b>20.4</b>

Notes: \* +1% for categories showing increase in workload

\*\* +2% for categories showing increase in workload

## **Business And Professions Code Section 2570.16**

Initial license and renewal fees shall be established by the board in an amount that does not exceed a ceiling of one hundred fifty dollars (\$150) per year. The board shall establish the following additional fees:

- (a) An application fee not to exceed fifty dollars (\$50).
  - (b) A late renewal fee as provided for in Section 2570.10.
  - (c) A limited permit fee.
  - (d) A fee to collect fingerprints for criminal history record checks. This fee shall not exceed the amount charged by the agency providing the criminal history record checks.
  - (e) A fee to query the National Practitioner Data Bank for applicants for licensure and renewal of licensure. The fee shall not exceed the amount charged per query.
- (Amended by Stats. 2017, Ch. 429, Sec. 6. (SB 547) Effective January 1, 2018.)*

## **California Code of Regulations Section 4130**

Fees are fixed by the board as follows:

- (a) The fee for processing an Initial Application for Licensure (Form ILA, Revised 7/2016) shall be fifty dollars (\$50).
- (b) The initial license fee for occupational therapists shall be prorated pursuant to Section 4120(a)(1) and based on the biennial renewal fee set forth below.
- (c) The initial license fee for occupational therapy assistants shall be prorated pursuant to Section 4120(a)(1) and based on a the biennial renewal fee set forth below.
- (d) The fee for a limited permit shall be one hundred dollars (\$100).
- (e) The biennial renewal fee for occupational therapists shall be two hundred twenty dollars (\$220). For licenses that expire on or after January 1, 2021, the biennial renewal fee shall be two hundred seventy dollars (\$270).
- (f) The biennial renewal fee for occupational therapy assistants shall be one hundred eighty dollars (\$180). For licenses that expire on or after January 1, 2021, the biennial renewal fee shall be two hundred ten dollars (\$210).
- (g) The delinquency fee is one-half of the renewal fee.
- (h) The biennial renewal fee for an inactive license shall be the same as the biennial renewal fee for an active license.
- (i) The fee for an [Application for Retired Status](#) (Form ARS, New 7/2012), shall be twenty-five dollars (\$25).
- (j) The fee for a duplicate license shall be twenty five dollars (\$25).
- (k) The fees for fingerprint services are those charged by the California Department of Justice and the Federal Bureau of Investigation.

## Assembly Committee on Business & Professions Fee Background Information Questionnaire

Bill No: \_\_\_\_\_ Author: \_\_\_\_\_ Date: \_\_\_\_\_

The following questions and information are required in determining whether the fee proposal is necessary. The completed form must be submitted to the Committee (electronically and two printed copies) for inclusion with the Committee analysis. Attach any additional information that you feel is required to support this request.

Request Type:  Establish a New Fee     Change an Existing Fee Rate

Fee Type:  Annual    One-time    Other (Specify) \_\_\_\_\_

Fee Name:

Current Fee Rate & Fee Authority (include Code section references):

Proposed/New Fee Rate:

Proposed Effective Date:

Individuals/Entities to be Assessed the Fee:

1. Is there a projected deficit?

***If yes:***

a. What is the estimated amount of the deficit?

b. In what fiscal year will the deficit occur?

2. What is the cause of the deficit?

a. Is it an ongoing problem (e.g., annual increase in expenditures and stable revenues, or a decrease in revenues resulting from a decline in the number of licensees or units) or

b. Is it a one-time problem (e.g., a major lawsuit filed against the agency)?

3. Provide fund condition statements displaying five years of actual and five years of projected expenditures and revenues with (a) current statutory maximum fee amounts and (b) proposed statutory maximum fee amounts.

4. Provide a schedule of fee revenue by various fee "categories" displaying five years of actual and five years of projected revenue based on (a) current fees and (b) proposed fees. This schedule should display the workload (e.g., number of licensees) and fee charged per category.
5. Provide a schedule displaying two years of expenditures by program component, such as application review, examination, enforcement, administration, and other regulatory activities, for each fee category, such as professional engineers and land surveyors.
  - a. The issue is: Are specific fee categories subsidizing the expenditures of other categories (e.g., examination costs are subsidized by license renewals, embalmers are subsidizing the licensing and regulation of funeral directors)?
6. Provide a table of comparison of existing and proposed fees which includes the percentage by which the fee will change.
7. Provide the history for the past 10 years of legislative fee increase authorizations.
8. With respect to the additional revenue generated by the proposed fee increase, provide explanation regarding the following:
  - a. Addition of new function?
  - b. Expansion of existing function?
  - c. Reduction or elimination of an existing function?
  - d. Redirection of existing resources?
9. Summarize in narrative form the rationale and justification for the proposed changes. Include the reason why the current levels of service can or cannot be continued under the existing fee schedule.

Requestor/Contact Information:

## **AGENDA ITEM 18**

### **UPDATE ON OCCUPATIONAL THERAPY LICENSURE COMPACT**

