

AGENDA ITEM 14

AD HOC BUDGET COMMITTEE REPORT AND POSSIBLE RECOMMENDATIONS TO THE BOARD.

The following are attached for review:

- Highlights from the December 18, 2023, meeting.
- Fees approved for Fee Bill by the Board in August 2022
- New fees proposed by ad hoc Budget Committee



TELECONFERENCE AD HOC BUDGET COMMITTEE HIGHLIGHTS December 18, 2023

Committee Members Present

Denise Miller, OT, Board Member/Chair
Lynna Do, Board Member,
Heather Martin, Executive Officer

Board Staff Present

Jody Quesada Novey, SSM I

Public Attendees Present

Bryant Edwards, OTAC President

12:00 pm – Committee Meeting

1. Call to order, roll call, establishment of a quorum.

The meeting was called to order at 12:14 pm, roll was called, and a quorum was established.

2. President/Committee Chair's Opening Remarks.

Board President/Committee Chair thanked all those in attendance for taking time out of their day to attend and contribute. Ms. Miller acknowledged that Board/Committee member Lynna Do was having audio issues so she would be communicating through the chat feature.

Ms. Miller summarized that the Ad hoc budget committee met several times in the previous year to discuss and make thoughtful recommendations to the Board regarding fee increases and implementation of new fees in order to keep the Board solvent. The Board ultimately approved the work of the committee. However, in light of the current budget report showing an increase in annual revenue which resulted in the timeline for the fee increases being extended to a later start date the Ad hoc committee and the Board agreed that the committee revisit the budget topic and report back to the Board.

Executive Officer Heather Martin displayed an excel spreadsheet that would be discussed and adjusted in real time with the suggestions of the committee.

3. Public Comment for Items Not on the Agenda.

There were no public comments for items not on the agenda.

4. Consideration of the Board's fund condition and possible recommendation(s) to the Board on fee increases and establishment of other fees to maintain fiscal solvency.

Chair Denise Miller asked Executive Officer Heather Martin to give an overview of the need for the meeting.

Ms. Martin summarized that even with reverting funds for 13+ years, or underspending the Board's authorized budget, the budget reserves were insufficient and continued in a downward trend, requiring an increase in fees and/or establishment of new fees. The Board delegated this matter to an ad hoc budget committee to discuss and make recommendations to the Board of fee increases and the establishment of new fees, to minimize impact to license renewal fees. The committee met several times and made a recommendation that gained full support of the Board and ensure future fiscal solvency.

As Board staff continued to monitor revenue projections and expenditure reports, it became apparent that the fees approved by the Board at its August 2022 meeting would generate too much revenue relative to its expenditures. Ms. Martin explained the goal was to be near revenue-neutral, meaning that annual revenue earned would be nearly equal to annual expenditures. Ms. Martin's recommendation was that the committee review the suggested lowering of the fee increases as suggested by Board analyst Ranjila Sandhu, that would more closely meet the goal of the Board being revenue-neutral.

Chair Denise Miller and Board/Committee member Lynna Do thanked Ms. Sandhu for her work and recognized her rationale for the various fees suggested. Ms. Miller and Ms. Do worked with Executive Officer Heather Martin line by line on the suggested fees. Ms. Martin reminded Ms. Miller and Ms. Do of the original fee increase amounts and revenue earned in each category, and then showed the revenue earned with the proposed lower fees. The committee discussed then them what each amount could be lowered to and asked for their input or agreement.

Public Comment

Bryant Edwards, President of the Occupational Therapy Association of California, asked for an explanation of what the Board's expenses are related to the review of advanced practice (AP) applications and courses. He expressed concern about there currently being no application fee and the proposed fee jumped to \$200; he worried that this could be a deterrent to practice. Mr. Bryant also expressed his concern that the Board rely on such a large fee for a line item that may not always be a requirement if advanced practice no longer requires a subsequent application, review, and approval.

Ms. Martin shared that AP applications are the costliest applications to review and that if ACOTE guidelines are updated to remove AP as a subsequent approval due to curriculum changes, this would only affect new graduates. Those practitioners that graduated before that time would continue to be required to complete the AP application process should they want to provide any of the advanced practices.

- Denise Miller moved to approve the workload and revenue statistics as presented.
- Lynna Do seconded the motion.

There were no additional committee member remarks.

There were no public comments.

Board Member Vote

Denise Miller Yes

Lynna Do Yes

Heather Martin Yes

The motion carried.

5. Consideration of the Committee's next steps.

Board President/Committee Chair Denise Miller stated that the updated proposed fee increases looked better for all and thanked everyone for their input and time. Ms. Miller wished everyone happy holidays.

Ms. Miller encouraged Mr. Edwards to reach out to Executive Officer Heather Martin if he had any further questions.

Meeting adjournment.

The meeting adjourned at 1:11 p.m.

Proposed Fee Increases and Establishment of New Fees

Original language approved by the Board August 2022

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:

Notwithstanding any other law, the fees necessary to carry out the responsibilities required by the occupational therapy practice act and this chapter are as follows:

- (a) For occupational therapist licenses that expire on or after January 1, 2024, the biennial renewal fee shall be three hundred fifty dollars (\$350). Thereafter, the board may increase the fee in regulation, in an amount that does not exceed a maximum of five hundred dollars (\$500).
- (b) For occupational therapy assistant licenses that expire on or after January 1, 2024, the biennial renewal fee shall be two hundred seventy dollars (\$270). Thereafter, the board may increase the fee in regulation, in an amount that does not exceed a maximum of of four hundred dollars (\$400).
- (c) ~~(a) An application fee not to exceed fifty dollars (\$50).~~ The fee for an initial occupational therapist license application shall be three hundred fifty dollars (\$350).
- (d) The fee for an initial occupational therapy assistant license application shall be two hundred seventy dollars (\$270).
- (e) ~~(b) A late renewal fee as provided for in Section 2570.10 shall be one-half of the renewal.~~
- (f) ~~(c) A limited permit fee~~ An occupational therapist limited permit fee shall be two hundred fifty dollars (\$250).
- (g) An occupational therapy assistant limited permit fee shall be one hundred fifty dollars (\$150).
- (h) The fee for an application for advanced practice approval shall be two hundred dollars (\$200).
- (i) The fee for a pocket license shall be fifty dollars (\$50).
- (j) The fee for a replacement wall certificate shall be fifty dollars (\$50).
- (k) The fee for a letter of good standing, endorsement or verification of licensure shall be seventy-five dollars (\$75).
- (l) ~~(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.~~
- (m) An applicant who submits hard fingerprint cards to the board for processing their background check shall, in addition to the fee charged by the agency providing the criminal history record check, be charged a fee of fifty dollars (\$50).
- (n) ~~(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.~~
- (o) The fee for a certified copy of an official transcript shall be thirty-five dollars (\$35).
- (p) The occupational therapist inactive renewal fee shall be one-half of the occupational therapist biennial renewal fee.

- (q) The occupational therapy assistant inactive renewal fee shall be one-half of the occupational therapy assistant biennial renewal fee.
- (r) A licensee whose license is placed on probation, shall be charged a fee for the Board's monitoring of the licensee's compliance with the terms and conditions specified in the disciplinary order. The monitoring fee, to be established in regulation, shall not exceed the cost to the board for the monitoring of licensees placed on probation.

Business and Professions Code Section 2570.17

(a) The board shall issue, upon application and payment of a ~~twenty-five dollar (\$25)~~ one hundred (\$100) fee, a retired license to an occupational therapist or an occupational therapy assistant who holds a license that is current and active, or capable of being renewed pursuant to Section 2570.10, and whose license is not suspended, revoked, or otherwise restricted by the board or subject to discipline under this chapter.

Ad Hoc Budget Committee Recommendation to Board

NEW Proposed Fee Increases and Establishment of New Fees

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:

Notwithstanding any other law, the fees necessary to carry out the responsibilities required by the occupational therapy practice act and this chapter are as follows:

- (a) For occupational therapist licenses that expire on or after January 1, 2026, the biennial renewal fee shall be three hundred dollars (\$300). Thereafter, the board may increase the fee in regulation, in an amount that does not exceed a maximum of five hundred dollars (\$500).
- (b) For occupational therapy assistant licenses that expire on or after January 1, 2026, the biennial renewal fee shall be two hundred forty and dollars (\$240). Thereafter, the board may increase the fee in regulation, in an amount that does not exceed a maximum of of four hundred dollars (\$400).
- (c) (a) An application fee not to exceed fifty dollars (\$50). The fee for an initial occupational therapist license application shall be seventy-five dollars (\$75).
- (d) The fee for an initial occupational therapy assistant license application shall be fifty dollars (\$50).
- (e) (b) A late renewal fee as provided for in Section 2570.10 shall be one-half of the renewal.
- (f) (c) A limited permit fee An occupational therapist limited permit fee shall be two hundred and twenty-five dollars (\$225).
- (g) An occupational therapy assistant limited permit fee shall be one hundred and twenty-five dollars (\$125).
- (h) The fee for an application for advanced practice approval shall be two hundred dollars (\$200).
- (i) The fee for a pocket license shall be fifty dollars (\$50).
- (j) The fee for a replacement wall certificate shall be fifty dollars (\$50).
- (k) The fee for a letter of good standing, endorsement or verification of licensure shall be fifty dollars (\$50).
- (l) (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.
- (m) An applicant who submits hard fingerprint cards to the board for processing their background check shall, in addition to the fee charged by the agency providing the criminal history record check, be charged a fee of twenty-five (\$25)
- (n) (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.
- (o) The fee for a certified copy of an official transcript shall be twenty-five dollars (\$25).
- (p) The occupational therapist inactive renewal fee shall be one-half of the occupational therapist biennial renewal fee.

- (q) The occupational therapy assistant inactive renewal fee shall be one-half of the occupational therapy assistant biennial renewal fee.
- (r) A licensee whose license is placed on probation, shall be charged a fee for the Board's monitoring of the licensee's compliance with the terms and conditions specified in the disciplinary order. The monitoring fee, to be established in regulation, shall not exceed the cost to the board for the monitoring of licensees placed on probation.

Business and Professions Code Section 2570.17

(a) The board shall issue, upon application and payment of a ~~twenty-five dollar (\$25)~~ fifty dollar (\$50) fee, a retired license to an occupational therapist or an occupational therapy assistant who holds a license that is current and active, or capable of being renewed pursuant to Section 2570.10, and whose license is not suspended, revoked, or otherwise restricted by the board or subject to discipline under this chapter.