



BOARD OF BEHAVIORAL SCIENCES
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Meeting Minutes

Budget and Efficiency Committee

June 21, 2006

9:30 a.m. - 11:30 p.m.

Department of Consumer Affairs
1625 North Market Blvd., Suite S-200
El Dorado Conference Room
Sacramento, CA 95834

Committee Members Present:

Victor Law, Chair
Donna DiGiorgio

Staff Present:

Paul Riches
Mona Maggio
Christy Berger
Christina Kitamura
Lorie Kiley

Meeting began at 9:31 a.m.
Roll called and quorum established

Item I. Introductions

Item II. Approval of January 27, 2006 Committee Meeting Minutes

The Committee approved the January 27, 2006 Meeting Minutes.

Item III. Approval of April 17, 2006 Committee Meeting Minutes

The Committee approved the April 17, 2006 Meeting Minutes as amended to note Mr. Law as Chair of the Committee.

Item IV. Strategic Plan Goals 2, 5 & 6 – Report on Progress

Goal 2: Build an excellent organization through effective leadership and professional staff.

Mr. Riches provided a report to the committee regarding progress on strategic plan goal #2 as outlined in the meeting materials. In addition, Mr. Riches indicated that the staff is working on reducing the number of deficient applications. A staff study of common deficiencies indicated significant problems with applicants complying with supervision

requirements. Staff is reviewing forms and the Communications Committee is developing a chart to summarize the various supervision requirements for both Marriage and Family Therapist Interns and Associate Clinical Social Workers.

Goal 5: Utilize technology to improve and expand services.

Mr. Riches provided a report to the committee regarding progress on strategic plan goal #5 as outlined in the meeting materials. Mr. Riches provided an update on the status of the Department of Consumer Affairs iLicensing system budget request. The request has been included in the budget adopted by both houses of the Legislature and will be part of the 2006-07 Budget Act when it is adopted. The request includes approximately \$35,000 in additional funds appropriated to the Board for the 2006-07 fiscal year to pay the Board's share of the first year costs. It is expected that additional appropriations will be made in future years to cover the costs of implementation and operation of the iLicensing system. If fully implemented, the iLicensing system would satisfy most if not all of the objectives under goal #5.

Mr. Janlee Wong, representing the National Association of Social Workers, California Chapter, stated that it would be desirable if the new system could permit the electronic transmission of continuing education certificates from approved continuing education providers to the board.

Goal 6: Maximize the efficiency and effectiveness of the Board's resources.

Mr. Riches provided a report to the Committee regarding progress on strategic plan goal #6 as outlined in the meeting materials.

Item V. Report on Government Accounting Standards Board (GASB) Rule 45 Regarding Retiree Health Benefits

Mr. Riches provided an overview of the GASB Rule 45 that requires governmental agencies to begin accounting for post-employment benefits. For state employees the two primary post-employment benefits are a pension and retirement health benefits. The pension obligation is substantially pre-funded through contributions from both employees and the state during the course of employment. However, retirement health benefits are not subject to such a pre-funding arrangement and a preliminary estimate from the Legislative Analyst Office indicates that the state has an unfunded obligation of \$60-70 billion. The accounting rule does not take effect until next year for California.

Mr. Riches indicated that the magnitude of this obligation will attract substantial political attention and may create pressure to begin pre-funding some part of this obligation. It is unclear how this will affect special fund agencies such as the Board.

Ms. Mary Riemersma, representing the California Association of Marriage and Family Therapists, questioned if this obligation would be characterized as a liability.

Mr. Riches indicated that it would and that such accounting is performed by the Department of Consumer Affairs and the Controller's office. Accounting for this liability may cause the use of some or all of the \$6 million General Fund loan that is outstanding to address the liability allocated to the Board.

Mr. Law inquired regarding the nature of the retirement health benefit for state employees.

Mr. Riches indicated that state employees are eligible for early retirement at age 50 and generally receive 5% of their retirement health coverage for each year of service. Thus, an employee with 20 years of service receives full health coverage upon retirement. Mr. Wong inquired if this could affect fees in the future.

Mr. Riches indicated that this is unlikely to affect fees given the substantial balance in the Board fund and outstanding loans from that fund.

Item VI. Report and Possible Action on Granting Continuing Education Credits for Attending Board Meetings

Mr. Riches provided a brief outline of the committee materials discussing the provision of continuing education credits for attending board meetings. Mr. Riches indicated that this question was discussed in 2005 but the Board did not proceed with any action. Staff performed some research and after discussions with counsel found that providing continuing education credit would require a regulation change. Accordingly, it is unlikely that credits may be granted until sometime in 2007.

Mr. Law and Ms. DiGiorgio indicated support for the proposal.

Ms. Riemersma indicated support for the proposal and stated that it would encourage attendance at the board's meetings which are highly educational. However, Ms. Riemersma stated that the board would need legislation to grant authority to the board to issue continuing education credits.

Mr. Wong suggested that the board partner with a school or other state agency to issue the credits and avoid the problem.

The Committee recommended that the staff bring a proposal to the July board meeting for consideration.

Item VII. Report and Possible Action on Establishing Delinquency Fees for Continuing Education Providers

Mr. Riches provided an overview of the continuing education provider approval and renewal process. Providers are given a two-year approval that must be renewed prior to its expiration date. If the renewal is not received prior to the expiration date, the approval is cancelled and the provider must reapply for a new approval. Establishing a delinquency process will eliminate a significant number of the new provider applications received each year. Staff research indicated that nearly one-third of the new provider applications were from providers whose approvals had been canceled by failing to renew on time.

Mr. Law asked how much notice providers received for their renewals.

Ms. Kiley indicated that renewal notices were mailed 120 days in advance. Many of the problems result from staff changes at the agencies or agencies that move and do not update their address with the board.

Mr. Riches stated that we do find that the providers have offered courses with expired approvals. Most of these are discovered during continuing education audits of licensees.

Ms. Reimersma stated that the regulation should be clarified to emphasize that no courses can be provided with a delinquent approval. This is a severe burden to individuals who took the course in good faith and then are cited by the board.

Mr. Riches stated that individual licensees are not cited in this situation if they can complete a course to make up the units. This is not a situation where we want to punish the licensee and that the provider was typically unaware of the situation as well.

Mr. Wong proposed that providers should be required to notify attendees who took courses when the approval was expired.

Ms. Riemersma requested a clarification regarding the language for change of ownership.

Ms. Kiley indicated that provider approvals are not transferable. The language indicated by Ms. Riemersma is designed to require the payment of the delinquency fee rather than simply reapplying which has a lower fee associated with it. The delinquency process will reduce workload and allow providers to retain their provider numbers which is a priority for many providers.

Ms. DiGiorgio asked how much time is needed for a typical renewal.

Ms. Kiley indicated that it takes 4-6 weeks to renew an approval.

The committee recommended that the proposal with additions to clarify that courses may not be offered with a delinquent approval and requiring providers to notify attendees of any course provided with a delinquent or cancelled provider approval be adopted by the board.

Item VIII. Report and Possible Action on Revising Fee Statutes and Regulations

Ms. Berger provided an overview of the fee proposal included in the meeting materials. The amendments are technical and designed to reduce confusion regarding different applications. Particular attention was paid to resolving confusion in provisions related to delinquent licenses.

Ms. Riemersma pointed out that proposed Section 4984.7(a)(8) fails to state that the inactive renewal fee is a "maximum" and is therefore inconsistent with Sections 4984.7(a)(7) and 4984.8.

The committee recommended that the proposal, including the changes suggested by Ms. Riemersma, be adopted by the board.

Item IX. Budget Update

Mr. Riches provided an overview of the budget as outlined in the meeting materials. Mr. Riches noted that the first round of contracting for exam administration services returned a price that was essentially the same as the prior contract which would eliminate one threat to future budgets. The contract is being re-bid at this time and we expect it to be completed in 2006.

Mr. Law asked about how the budget is regarding employee raises.

Mr. Riches indicated that the Governor and the unions had reached an agreement on a pay raise package. Typically budgets are augmented to pay the cost of raises in new

collective bargaining agreements so it presents no threat to the budget at this time. Even if the Board budget wasn't augmented for the pay raise, the costs could be absorbed.

Mr. Riches indicated that staff met with the Department of Consumer Affairs budget staff regarding the temporary fee reduction and increase to the loan repayment program. DCA staff indicated a strong resistance from the Department of Finance on temporary fee reductions and there are potential legal issues regarding a direct appropriation to the loan repayment program. Staff will continue to work with counsel to develop alternatives for the next committee meeting.

Item X. Suggestions for Future Agenda Topics

Meeting adjourned at 10:30 a.m.