



BOARD OF BEHAVIORAL SCIENCES
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MEETING MINUTES

Policy and Advocacy Committee

September 27, 2006
1625 N. Market Boulevard, El Dorado Room
Sacramento, CA 95834

9:30 a.m. – 3:00 p.m.

MEMBERS PRESENT

Gordonna DiGiorgio, Chair, Public Member
Victor Law, Public Member
Karen Roye, Public Member

MEMBERS ABSENT

Dr. Ian Russ, MFT Member

STAFF PRESENT

Paul Riches, Executive Officer
Mona Maggio, Assistant Executive Officer
Christy Berger, Legislative Analyst
Justin Sotelo, Administrative Analyst
Stephen Sodergren, Program Manager
Christina Kitamura, Administrative Assistant
George Ritter, Legal Counsel

GUEST LIST ON FILE

The meeting was called to order at approximately 9:45 a.m. Ms. Kitamura called the roll and a quorum was established.

I. Introductions

Gordonna DiGiorgio, Committee Chair, introduced Karen Roye, a new member to the Board. Ms. Roye is from Oakland, California and is currently the Director of Child Support Services for San Francisco County. She has worked in government for approximately 20 years. Ms. Roye worked for Mayor Willie Brown's office as a budget analyst. Ms. Roye worked as the budget analyst for the Water Supply and Treatment, and the Water Department for the Public Utilities Commission in San Francisco. Prior to that, she was the Assistant Vice President for Manufactures Hanover Trust Company, where she handled financial investments and trades for government securities. Ms. Roye is very excited to be appointed to the Board and delighted to represent the public.

II. Review and Approval of June 28, 2006 Committee Meeting

The Committee was asked to approve the June 28, 2006 Committee meeting minutes.

VICTOR LAW MOVED, KAREN ROYE SECONDED, AND THE COMMITTEE CONCURRED TO APPROVE THE JUNE 28, 2006 POLICY AND ADVOCACY COMMITTEE MEETING MINUTES.

III. Strategic Plan Goal #4 – Report on Progress

- A. *Objective 4.1 -- Participate in 15 public policy forums throughout the State addressing access to mental health services by June 30, 2010.*

Paul Riches reported the Board is actively participating with the Mental Health Services Act (MHSA) implementation. Mr. Riches attended the Licensing and Certification workgroup meeting. The group is focusing on a proposal for funding supervision for interns and associates.

Mona Maggio reported that she attended the Needs Assessment workgroup meeting. The committee overviewed the current status of the items that the other workgroups have been focusing on. One of the points that the workgroup began working on was the types of different professionals, family members, and consumers that are going to be required to help work in these different agencies. When the counties submitted their plans, they did not have guidelines for the counties to identify what professional levels they would need, the types of consumers that they could have working in these settings, and the training that would be necessary. A number of different agencies were asked to submit duty statements and work plans. The duty statements and work plans will be reviewed and discussed at the next meeting in October.

Mr. Riches reported that the Board was invited to participate in two workgroups established by the California Social Work Education Center (CALSWEC) regarding implementation of the MHSA and Workforce development on September 28, 2006. Mr. Riches will attend this workgroup.

- B. *Objective 4.2 -- Develop 4 proposals related to behavioral science licensing law that address delivery of services to consumers in light of demographic changes in both the general and licensee populations by December 31, 2007.*

Mr. Riches reported that the Board is looking for demographic changes among licensee population base. The Board sponsored a conference on diversity issues in professional licensing on April 28, 2006. There was a wide range of suggestions that came from this conference that staff is working through to begin developing proposals for the Committees to consider. Mr. Riches is asking the committee for guidance on where to focus and what to consider as priority issues.

The demographic survey has been developed and will soon be mailed to approximately 65,000 licensees and registrants. The survey will provide the Board with demographic information about the Board's licensees.

- C. *Objective 4.3 -- Advocate for 5 laws that expand access to mental health services by June 30, 2010.*

No action to report.

IV. Legislation Update

Christy Berger reported on SB 1475 regarding the reorganization of LEP and administration statutes. This bill would reorganize and revise the Board's Administration statutes for clarity and make some minor refinements. This bill would also reorganize and revise the Licensed Educational Psychologist (LEP) statutes to remove obsolete provisions, and modernize statutes relating to licensure, scope of practice, continuing

education, and enforcement. This bill would also facilitate transparency of licensure for out-of-state Licensed Clinical Social Workers. This bill is awaiting signature by the Governor.

Ms. Berger reported on AB 1852 regarding the Licensed Mental Health Service Provider Education Program. This bill would make marriage and family therapist interns (MFT interns) and associate clinical social workers (ASW) eligible for educational loan repayment from the Licensed Mental Health Service Provider Education Program (Program). This bill is awaiting signature by the Governor.

Ms. Berger reported that Robin Boyer, the Executive Director of the Office of Statewide Health Planning and Development's (OSHPD) Health Professions Foundation, is no longer with the Foundation (Foundation). An Interim Executive Director has been named. Staff has been attempting to contact the Foundation to ensure other needed changes are put in place, but with no success.

Ms. Berger reported on AB 525 regarding child abuse reporting. Current law authorizes but does not require the reporting of instances where a child suffers or is at substantial risk of suffering serious emotional damage. This bill is supported by the Board and would:

- Amend several provisions of the Child Abuse and Neglect Reporting Act to clarify that "emotional abuse" may be reported, but is not required to be reported.
- Clarify that confidentiality protections for mandated reporters also apply to mandated reporters who report "emotional abuse."
- Permit mandated reporters who report "emotional abuse" to receive the same feedback as they would when making a mandated report of child abuse upon a final disposition of a case.
- Conform the procedures for reporting of "emotional abuse" to certain existing procedures applicable to mandated reporting.

This bill is awaiting signature by the Governor.

Ms. Berger reported on AB 2283 pertaining to physicians and surgeons regarding cultural background and foreign language proficiency. Physicians are currently permitted to report information regarding their cultural background and foreign language proficiency at the time of license renewal. This bill would require the Medical Board of California to aggregate this information and report it on their website, making it accessible to consumers. The Board voted to support this bill, which is awaiting signature by the Governor.

Ms. Berger reported on AB 3013 regarding disclosures of medical information. This bill would strengthen patient confidentiality laws by conforming California law to provisions of HIPAA which limit the release of patient information, provide the patient the opportunity to prohibit such a release, and permit the health care provider to make judgments regarding releases in emergency situations. The Board voted to support this bill, which is awaiting signature by the Governor.

Ms. Berger reported on SB 1476 regarding BBS sunset. This bill would extend the Board's sunset date by one year to July 1, 2009. It is awaiting signature by the Governor.

There are several Board proposals in the pipeline for 2007:

- Award licensees with CE credit for attending a Board meeting
- Restructure and make technical revisions to fee- and renewal-related statutes

- Fictitious business names for LCSWs

V. Rulemaking Update

Justin Sotelo reported on Title 16, CCR Section 1886.40 regarding citations and fines. The purpose of this regulatory proposal was to provide the Board with the authority to issue fines between \$2,501 and \$5,000 for specified “citable offenses” or violations of the statutes and regulations enforced by the Board. The regulatory changes became effective on September 3, 2006.

Mr. Sotelo reported on Title 16, CCR Section 1803 regarding delegation of authority to the Executive Officer. A regulatory hearing is scheduled for October 4, 2006 in Sacramento.

Mr. Sotelo reported that the Board recently submitted 3 proposals to the Office of Administrative Law. The first proposal pertains to supervisor qualifications, Title 16, CCR Sections 1833.1 and 1870. Supervisors of registrants are currently required to have practiced psychotherapy for two out of the five years preceding any supervision. This proposal would allow supervisors to count time spent directly supervising persons who perform psychotherapy toward this requirement and delete the requirement that supervisors of MFT Interns and Trainees average 5 hours of client contact per week for two out of the five years prior to supervising. The notice will be published on September 29, 2006. The regulatory hearing is scheduled for November 16, 2006 at the next Board meeting in San Francisco.

The second proposal, Title 16, CCR, Sections 1816.7 and 1887.7 regarding delinquency fees for continuing education providers, would allow a registered provider of continuing education (PCE) a period of two years from the registration’s expiration date in order to renew an expired PCE registration with a \$100 delinquency fee. Currently, when a PCE does not renew the registration prior to its expiration date, the registration is cancelled and a new registration must be obtained. The notice will be published on September 29, 2006. The regulatory hearing is scheduled for November 16, 2006 at the next Board meeting in San Francisco.

The third proposal, Title 16, CCR regarding fees would make technical changes to the Board’s regulations regarding fees. These changes would conform the Board’s regulations to the non-substantive statutory changes the Budget and Efficiency Committee is recommending to the Board regarding fees, renewals, and inactive licenses.

Title 16, CCR Sections 1806 and 1833.3, Abandonment of Application Files, was also included in the third proposal. Section 1806 currently requires candidates to take an examination within one year of notification of eligibility to take the examination. Section 1833.3 currently requires applicants who fail an examination to retake that examination within one year from the date of the failure. However, candidates who fail are provided with a notice of eligibility 180 days from the date of failure, so both sections apply and reflect two different time frames. This regulatory proposal would resolve the conflict between these two regulations, providing all candidates with a one-year period in which to take an examination to avoid abandonment of their application. The notice will be published on September 29, 2006. The regulatory hearing is scheduled for November 16, 2006 at the next Board meeting in San Francisco.

Mr. Sotelo reported on Title 16, CCR, Sections 1887(b), 1887.2(a), and 1887.3(a) pertaining to continuing education. This proposal was reviewed by the Consumer Protection Committee at its September 20, 2006 meeting. Some changes were made to the language. The proposal will be presented to the Board at its next meeting in November.

Title 16, CCR Section 1886 pertaining to citation and fine of continuing education providers is currently on hold due to staff workload considerations.

VI. Discussion and Possible Action on Increasing Portability of Licensure for Marriage and Family Therapists

Christy Berger reported that at the April 2006 meeting, this Committee recommended language to the Board designed to improve transparency of licensure for out-of-state licensed clinical social workers. Olivia Loewy, Executive Director of the American Association of Marriage and Family Therapists (AAMFT) California Division requested the same be done for Marriage and Family Therapists (MFT).

The Board agreed to place this topic on the agenda for the June 2006 Policy and Advocacy Committee meeting. For the meeting of the Committee, staff prepared a report regarding MFT licensure requirements across the country, which showed the variations in experience and educational requirements. AAMFT disagreed with certain aspects of the report, feeling that it did not accurately characterize the educational or post-degree experience requirements of other states. The Committee asked AAMFT to bring forth a specific proposal for statutory or regulatory changes that they would support.

Ms. Berger gave a brief summary on the current requirements for licensure of out-of-state MFTs. Ms. Berger also reviewed AAMFT's proposal and commented on each item proposed.

The first item proposed by AAMFT would permit a MFT licensed in another state who has applied for MFT licensure in California to practice as an MFT in California for a 180-day period beginning on the date the application is submitted to the Board or on the date he or she commences residency in California, whichever occurs first.

Ms Berger responded that this item is troubling in terms of consumer protection. It would potentially allow a person who has had disciplinary action on a license issued by another state to practice in California for six months. It would also allow practice by a small number of people who may not be able to pass California's licensing examinations. The ability to temporarily practice in California would be of little use to a person who does not then pass either of the examinations. An applicant would be better off registering as an MFT Intern while awaiting licensure, an option currently available.

The next item proposed by AAMFT would require the Board to issue a MFT license to any person who meets all of the following:

- a. Has held a valid, active clinical license issued by a MFT regulatory board or corresponding authority of any state.*

Ms. Berger responded that the LCSW proposal requires the applicant to hold a license for at least four years or have substantially equivalent experience.

- b. *If not licensed for at least two years must have supervised experience that is substantially equivalent to that required of in-state applicants. If the applicant has less than 3000 hours of qualifying experience, time actively licensed as a MFT would be accepted at a rate of 100 hours per month up to a maximum of 1200 hours. Supervised experience is not considered for those licensed for two years or more.*

Ms. Berger responded those not licensed for at least two years would not have to register as an intern nor gain hours of experience in California. The applicant would be permitted to count a portion of time licensed toward a portion of the experience requirement. The terms are nearly identical to the LCSW proposal. Post-degree clinical experience requirements are similar from one state to another, although the total number of hours required, including administrative and other activities, may vary considerably.

- c. *Passes the board-administered licensing examinations.*
- d. *Education not required to be substantially equivalent, and would no longer be evaluated.*

Ms. Berger responded that MFT educational requirements are similar around the country, though the number of total units from one program/state to another may vary.

- e. *Completes the following coursework or training in or out of state, whether as a separate course or in fulfillment of other licensure requirements:*
- *California law and ethics: 15 hours (instead of two units) and would be permitted to be taken outside of California*
 - *Child abuse assessment and reporting: Seven hours*
 - *Human sexuality: 10 hours*
 - *Alcoholism and other chemical substance dependency: 15 hours*
 - *Spousal or partner abuse: 15 hours*
 - *Psychological testing: 30 hours (instead of two units)*
 - *Psychopharmacology: 30 hours (instead of two units)*

Ms. Berger responded that these are the same as the currently required courses. It is likely that the California law and ethics course would only rarely be offered outside of California. The larger concerns are the reduction in hours for this course (two semester units equals at least 32 hours of classroom time, a reduction of 17 hours). Another concern is that this course, as well as the Psychological testing and Psychopharmacology courses would not have to be taken from an educational institution.

- f. *The applicant's license is not suspended, revoked, restricted, sanctioned, voluntarily surrendered, or the subject of a pending complaint in any state. The applicant is not subject to denial of licensure under current Board statutes.*

Ms. Berger responded that the information regarding voluntary surrenders and pending complaints would be additional safeguards not in current law.

Mary Riemersma, California Association of Marriage and Family Therapists (CAMFT), commended Christy on her report. Ms. Riemersma stated that CAMFT does not support this proposal and urged the Board to not support this proposal; the proposal has flaws and does not feel that it addresses consumer protection. The

issues of reciprocity are the key items that need to be addressed. The standards for people who come into California are lesser than the standards for people who do their schooling in California. A suggestion to increase portability is to evaluate the experience from the time of pre-licensure in another state rather than the 6 years that precedes the application. More than half of all MFTs are located in California and only a handful of MFTs in other states. CAMFT will oppose this if it goes to legislation.

Olivia Loewy, AAMFT California Division, introduced Rusty Selix, Executive Director of the California Council of Community Mental Health Agencies (CCMHA) as well as the Mental Health Association. Mr. Selix is the lead author of Proposition 63. He is involved in the Mental Health Services Act (MHSA) implementation process.

Mr. Selix stated that the issues for employing people who are licensed in other states are an issue. Even though employment is exempt, for billing reasons, licenses are needed for reimbursement under Medicaid. In the publicly funded mental health programs, there is a workforce shortage, and as the revenues grow under Proposition 63, that issue needs to be addressed. Mr. Selix urged the Board to do whatever it can to make it easier to employ the people needed in publicly funded agencies.

Jeri Esposito, California Society for Clinical Social Work (CSCSW), expressed that portability is an issue, but so is comparability. Rushing into a foreseen workforce shortage of licensees in public service is merited right now. She urged the Board to use extreme caution on the portability issue where it concerns differentials in quality and qualifications on these licenses.

Janlee Wong, National Association of Social Workers (NASW), recalled a discussion regarding multi-tiered licenses at the last Consumer Protection Committee meeting. Included in the discussion were the issues on different states and the different types and levels of licensing in those states, which spills over to this issue here. There is a public mental health model as authorized by the MHSA. Millions of dollars are going into the program now. There is a great pressure on us from a consumer protection standpoint. We need to find a way to bring qualified competent people in the program and in the system.

Ms. Loewy responds to Ms. Berger's comments:

Regarding the first item proposed by AAMFT, the 180-day period (#1) was something that they took from the Board of Psychology. They allow temporary practice for out of state licensees. That is something that AAMFT will want to look into more.

Regarding number 2.a., AAMFT chose 2 years because that is the current law, but that can be revised. In number 2.d., in term of the total units, as Christy said, the education requirements are similar.

In number 2.e., in the text of the AAMFT proposal, they have a list of requirements that Christy also listed. AAMFT's number 2.d., what they are proposing is law and ethics training beyond what currently exists. This requirement goes back to the regulation 4980.41, and the reason it was confusing for AAMFT is because it requires a two-semester or three-quarter unit course in California law. They want to take out what is generic with what pertains to the professions and what pertains to California. It was presented in a confusing way, but AAMFT is actually proposing

more. In the course of education in other states, they must have the two semesters in professional ethics, and then the 15 contact hours specific to California.

Ms. Loewy indicated that AAMFT wants to work with the Board in order to move forward, and is open to what the committee wants to propose.

Ben Cauldwell, AAMFT California Division, clarified that their intent is not to lower the threshold for out of state MFTs. What AAMFT is trying to do is get rid of some burdensome and duplicative steps in becoming licensed in California.

Mr. Riches stated that it is very difficult to tell someone who has been in practice for 10 years in another state, providing therapy to patients, that it does not count. Those who were grandfathered in, or some situation similar to that, is always a challenge. How do we treat that? That is one of the essential questions here when we are talking about portability of licensure. We are not going to want to surrender, nor should we ever surrender our role in protecting the public. We have a model that is built around the people coming up through the educational system. When we get people moving laterally, it confounds the model. How do we deal with that, and how do we sort that out?

Mr. Cauldwell responded that the Board has a good working model. One way of treating license experience is giving some credit for license experience.

Ms. Riemersma stated that as for counting experience, it is hard to know how to treat it because someone with years of licensure doesn't mean they practiced in those years of licensure. Or they may have practiced in a narrow area, and how do you verify that? As for the alleged shortage of mental health professionals, there is a marketing issue. There are jobs out there that exist; they are not getting filled. Until we're successful with the Medicare issues on the federal government level, there's going to be reimbursement issues where MFTs are being utilized. In regards to law and ethics requirements, California has different ethical standards than other organizations and other states.

Mr. Selix emphasized that the workforce shortages are very real; out of 4,000 positions and 1,000 of them are consumers and family members, 3,000 are mental health professionals. That is in addition to the existing 4,000 vacancies and 4,000 new positions being created. The magnitude of the problem is 8,000.

Mr. Riches invited Mr. Selix's organization to the MFT Education Committee meeting in October to address these issues and how the MHSA ties into that.

Ms. DiGiorgio proposed that Ms. Loewy, Ms. Riemersma, and Mr. Riches work out the details and bring it back to the next Committee meeting.

VII. Revisions to Section 4980.90 Relating to Out-of-State Applicants for MFT Licensure

Christy Berger provided background to the current law relating to out-of-state applicants for MFT licensure and discussion supporting the revision to Section 4980.80. Staff recommended that the Board seek legislation to implement the proposed language, which would ensure that MFT educational requirements are the same for everybody who completed their education while residing in California.

VICTOR LAW MOVED AND KAREN ROYE SECONDED

Discussion:

Mary Riemersma, CAMFT, supports this change.

THE COMMITTEE CONCURRED TO SEEK LEGISLATION TO IMPLEMENT THE PROPOSED LANGUAGE TO SECTION 4980.90.

VIII. Discussion and Possible Action to Alter License Delinquency Period

Christy Berger provided background to the current license delinquency period and discussion supporting to alter the license delinquency period. Staff recommended that the Board seek legislation to implement the proposed language, which would reduce the license cancellation time frame from five years to two years.

Paul Riches indicated that most people with expired licenses over a period of time are exiting practice. People are notified that their licenses are delinquent and about to be cancelled.

Jeri Esposito, CSCSW, suggested a 3-year delinquent is better than 2 years. Ms. Riemersma agreed with 3 years.

VICTOR LAW MOVED, GORDONNA DIGIORGIO SECONDED, AND THE COMMITTEE CONCURRED TO RECOMMEND THE BOARD SEEK LEGISLATION TO REDUCE LICENSE CANCELLATION TIME FRAME FROM FIVE YEARS TO THREE YEARS.

IX. Discussion and Possible Action to Eliminate Extensions for Associate Clinical Social Worker Registrations

Christy Berger provided background to the current law that allows an Associate Clinical Social Worker (ASW) to apply for a maximum of three one-year extensions of the registration beyond this six-year period, and discussion supporting to eliminate the ASW extension process. Staff recommended that the Board sponsor legislation to eliminate the ASW extension process in order to simplify administrative processes and reduce confusion.

VICTOR LAW MOVED, GORDONNA DIGIORGIO SECONDED, AND THE COMMITTEE CONCURRED TO RECOMMEND THE BOARD SEEK LEGISLATION TO ELIMINATE ASW EXTENSIONS.

The meeting convened at 11:50 a.m. and reconvened at 1:00 p.m.

Mr. Riches introduced Stephen Sodergren, staff services manager to the Board of Behavioral Sciences.

X. Review of Suggestions from Diversity Conference

Paul Riches reported that the board sponsored a conference on diversity and mental health in April 2006. He gave a background on the purpose of the conference and the events that took place at the conference. Feedback generated from the conference was sorted and aggregated for the committee's review. Staff provided

material to update the committee and to solicit the committee's recommendations for prioritizing and pursuing other items on the list.

The Committee suggested focus on outreach and support for longer-term workforce issues.

Janlee Wong, NASW, suggested focus on outreach to the undergraduate population. He also suggested that Sean O'Connor, outreach coordinator, visit a high school for human services in Los Angeles.

Olivia Loewy, AAMFT, suggested granting continuing education for language courses.

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

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

- A. Objective 2.1 -- Meet 80% of training goals identified in IDPs by June 30, 2006.

Paul Riches reported that staff is on track and doing well in meeting the goals of this objective.

- B. Objective 2.2 -- Reduce average application processing time by 33% by December 30, 2006.

Mr. Riches reported that new quarterly numbers were not available. The quarterly numbers will be available at the next board meeting.

- C. Objective 2.3 -- Increase staff training hours by 15% by June 30, 2010.

Mr. Riches reported that staff is on track and doing well in meeting this objective.

- D. Objective 2.4 -- Joint participation by executive staff and board members in 20 external events (non-board meeting) by June 30, 2010.

Mr. Riches reported that staff is well ahead of schedule in meeting the goals for this objective.

Goal 5: Utilize technology to improve and expand services.

- A. Objective 5.1 -- Provide the ability to accept electronic payments by June 30, 2008.

- B. Objective 5.2 -- Process 70% of all renewal applications on-line by June 30, 2009.

Mr. Riches reported on Objectives 5.1 and 5.2, stating that the budget has been approved for this year to implement the iLicensing system. The Board is scheduled for a rollout date of January 2009. Mr. Riches is optimistic that the Board will meet that date.

- C. Objective 5.3 -- Process 33% of all new applications on-line by June 30, 2010.

- E. Objective 5.4 -- Provide the ability to check the status of all applications online by June 30, 2010.

Mr. Riches reported that staff will need to revisit Objectives 5.3 and 5.4. Accepting new applications online is not a capability of the system.

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

- A. Objective 6.1 -- Increase licensing staff productivity 13% by June 30, 2010.

Mr. Riches reported that the productivity baseline for the examination unit was established at the last Committee meeting.

- B. Objective 6.2 -- Increase enforcement staff productivity in processing consumer complaints 29% by June 30, 2010.

Mr. Riches reported that staff reviewed methods in measuring productivity in the enforcement unit. After some discussion, staff arrived at "resolution" as a basic element in enforcement. Actions that resolved a consumer complaint were deemed to be products. Complaints are resolved in one of four categories: (1) complaint closure without action, (2) cease/desist letter, (3) citation and fine, or (4) disciplinary action.

Staff reviewed a way to value those resolutions. They came up with numeric values assigned to enforcement actions on a scoring scale of 1-10 based on perceived impact or significance of the resolution by enforcement staff, complainants and licensees.

There is a budget change proposal in process to allow for hiring two additional analysts in the enforcement unit. There has been faster growth in consumer complaints and a high growth in subsequent arrests.

- C. Objective 6.3 -- Increase examination staff productivity 15% by June 30, 2010.

A baseline for productivity was established using the 2004-2005 fiscal year statistics since that was the year the plan was adopted.

XI. Budget Update

Paul Riches reported that the Board has a strong budget position. Staff submitted a budget change proposal (BCP) requesting two additional enforcement analysts. The BCP proposes to redirect funding from existing line items for Attorney General and Office of Administrative Hearings expenses. Both of these items have had significant unexpended balances in recent years and those resources are needed elsewhere in the Board's enforcement program.

XII. Discussion of Fee Reduction Alternatives and Funding for Loan Repayment Program

Mr. Riches gave a background on previous discussions of fee reduction and funding for loan repayment program. The Board had a reserve of approximately \$5.4 million at the end of the 2005-06 fiscal year which would fund board operations for slightly more than 13 months based on projected expenditures. In addition, the Board's fund made a \$6 million loan to the state General Fund in the 2002-03 fiscal year which represents an additional 17 months of operating reserves. Business and Professions

Code 128.5 requires boards to reduce fees when the reserve exceeds 2 years of expenditures. At present the Board's reserve would have to exceed \$9.5 million to trigger this requirement. The General Fund loan is not accounted for in the fund condition analysis and accordingly the Board is still well below the 24 month level specified in this statute. If action is not taken, the board will reach the 24-month threshold in approximately four years.

Staff presented a proposal at the May 2006 Board meeting to temporarily reduce fees in concert with a comparable increase in the license renewal surcharge for the Licensed Mental Health Services Provider Education Program (program). The net effect of that proposal was to decrease board revenue by \$3.6 million over a two-year period and redirect that revenue to the program. At the conclusion of that period, fees would revert to their prior levels and the license renewal surcharge that funds the program would revert to the \$10 current charged. However, the Department of Finance stated that such temporary fee reductions were not acceptable.

Staff revisited the issue and developed some preliminary estimates regarding the magnitude and duration of a fee reduction program that would reduce the fund balance to a 3-6 months operating reserve. Staff is proposing to permanently decrease the renewal fees across the board by \$40 and increase the surcharge, so that the licensee does not see any change in the fees. This will bring down the reserves but still operate with adequate reserves.

After some discussion, Karen Roye proposed additional discussion on the issue of the Board's reserve and the ability to move forward with future initiatives with less revenue. Karen wants to understand more about the realignment and wants to be sure that the Board is in a good position to do with and accomplish its goals.

Mary Riemersma, CAMFT, commended the Board on being fiscally sound.

Mr. Riches suggested bringing this matter back to the next Committee meeting.

XIII. Suggestions for Future Agenda Items

Mary Riemersma, CAMFT, suggested a discussion on re-implementing the collection of information from applicants, such as the agreements between the trainees, the school, the work setting and the supervisor, sometimes referred to as 4-way agreements. This would ensure that the school is actually responsible for the experience that is being gained while a trainee. Likewise, collecting proof of employment from applicants to ensure that people are not abusing the law by practicing independently.

The meeting adjourned at 2:04 p.m.