



**CALIFORNIA BOARD OF PODIATRIC MEDICINE  
NOVEMBER 13, 2015**

**SUBJECT: QUARTERLY BUDGET REPORT – FY 15-16 FIRST QUARTER**

**ACTION: RECEIVE AND FILE**

**6**

**RECOMMENDATION**

Receive and file the quarterly budget report and FY 15-16 – First Quarter.

**ISSUE**

This report provides the Board with the most updated and available financial analysis for BPM through the first quarter of FY 15-16.

**DISCUSSION**

The Board of Podiatric Medicine (“BPM”) is on task with maintaining a financially sound budget for FY 2015-16. Through continued efficient delivery of public services and minimization of financial costs BPM has continued to maintain fiscal and financial discipline.

BPM’s fee structure study by CPS HR Consulting (CPS) has been completed. CPS’s report is being covered under Board Report, Agenda Item #9. Highlights indicate that all essential functions delegated to BPM are being performed within expected and budgeted amounts. For specific details on this, Agenda Item #9,

**1. EXPENDITURE REPORT**

On September 30, 2015 BPM concluded the first quarter of FY 15-16. DCA’s Budget Office has informed BPM that the FY 15-16 budget numbers will be provided in November 2015. The expense report below shows the monthly charges for personnel services and operating expenses & equipment. All charges are well within expected levels and are compared to the previous year’s charges for the ending of the first quarter. Where numbers are not able to be compared as there were “no charges” in FY 14-15 or FY 15-16 the percentage formula shows “N/A.”

PODIATRIC MEDICINE REPORT FY 15-16 Q1								
PERSONNEL SERVICES	Jul-2015	Aug-2015	Sep-2015	Encumb	Yr-Date	FY 14-15	Yr Comp	
Total Staff Salaries and Wages	21,359	25,264	25,062		71,685	58,533	22.47%	
Total Staff Benefits	10,779	11,685	11,710		34,174	27,936	18.25%	
<b>TOTAL PERSONNEL SERVICES</b>	<b>32,138</b>	<b>36,949</b>	<b>36,772</b>		<b>105,859</b>	<b>86,469</b>	<b>22.42%</b>	
<b>OPERATING EXPENSES &amp; EQUIPMENT</b>								
Total Fingerprints	-	392	98		490	441	11.11%	
Total General Expenses	-	375	2,573		2,948	3,437	-16.59%	
Total Printing	-	-	3,304		3,304	2,207	33.20%	
Total Communications	-	293	785		1,078	1,172	-8.72%	
Total Postage	207	-	480		687	760	-10.63%	
Total Travel: In-State	-	14	413		427	4,004	-837.70%	
Total Facilities Operations	3,751	3,751	3,751	37,505	48,758	45,234	7.23%	
Total CSVS - Interdepartmental	-	-	-	-	-	14,000	N/A	
Total C/P SVS - External	-	-	-	21,995	21,995	15,000	31.80%	
Total Departmental Services	33,750	-	-		33,750	65,310	-93.51%	
Total Data Processing	-	-	-	-	-	2,258	N/A	
Total Central Administrative Services	-	12,156	-		12,156	11,831	2.67%	
Total Enforcement	-	9,329	15,498		24,827	24,279	2.21%	
Total Minor Equipment	-	-	-	-	-	3,470	N/A	
<b>TOTAL OPERATING EXPENSES &amp; EQUIPMENT</b>	<b>37,708</b>	<b>26,310</b>	<b>26,902</b>	<b>59,500</b>	<b>150,420</b>	<b>193,403</b>	<b>-28.58%</b>	
<b>BOARD OF PODIATRIC MEDICINE</b>	<b>69,846</b>	<b>63,259</b>	<b>63,674</b>	<b>59,500</b>	<b>256,279</b>	<b>279,872</b>	<b>-9.21%</b>	

## 2. REVENUE REPORT

This BPM revenue and reimbursement numbers for FY 15-16 total \$301,865 which is within the amount to be expected at this time of year. Comparing first quarter income to FY 14-15 shows a relatively lower number. Transactions may not be recorded but have in fact been received, and will likely be reflected in future financial reports from DCA's accounting office.

It is important to note that unscheduled fees are difficult to predict as these are related to cost recovery and probation monitoring fees from enforcement orders.

BOARD OF PODIATRIC MEDICINE FY 15-16 Q1							
RECEIPTS		Jul-2015	Aug-2015	Sep-2015	Yr to Date	FY 14-15	Yr Comp
	Fingerprint Reports	49.00	147.00	245.00	441.00	441.00	
	External/Private Grant	0.00	235.00	470.00	705.00	940.00	
	<b>Total Fingerprints &amp; Grants</b>	<b>49.00</b>	<b>382.00</b>	<b>715.00</b>	<b>1,146.00</b>	<b>1,381.00</b>	<b>-20.51%</b>
	<b>Total Unscheduled Rev</b>	<b>4,415.20</b>	<b>2,153.95</b>	<b>13,903.85</b>	<b>20,473.00</b>	<b>24,604.40</b>	<b>-20.18%</b>
	<b>Total Cures Contributions</b>	<b>1,008.00</b>	<b>1,739.88</b>	<b>1,020.00</b>	<b>3,767.88</b>	<b>3,540.00</b>	<b>6.05%</b>
	Limited License Fee - POD - 60.	0.00	120.00	60.00	180.00	120.00	
	Duplicate License/Cert - 40.	80.00	80.00	40.00	200.00	180.00	
	Letter of Good Standing - 30.	60.00	0.00	150.00	210.00	270.00	
	Citation Fee - Podiatry - Var	0.00	0.00	0.00	0.00	2,500.00	
	<b>Total Regulatory Fees</b>	<b>140.00</b>	<b>200.00</b>	<b>250.00</b>	<b>590.00</b>	<b>3,070.00</b>	<b>-420.34%</b>
	App Fee - Podiatry - 20	0.00	40.00	100.00	140.00	240.00	
	Fict Name Ren. - Pod Corp - 40	50.00	50.00	200.00	300.00	400.00	
	Nat Board Cert - Podiatry - 100	720.00	258.00	431.00	1,409.00	1,149.00	
	Initial License - Podiatry - 800	5,600.00	800.00	4,000.00	10,400.00	8,760.00	
	Suspended Revenue	257.00	3,520.20	910.71	4,687.91	9,238.20	
	Prior Year Revenue Adjustment	0.00	-69.00	0.00	-69.00	-920.00	
	<b>Total Reg Fees-License &amp; Permits</b>	<b>6,627.00</b>	<b>4,599.20</b>	<b>5,641.71</b>	<b>16,867.91</b>	<b>18,867.20</b>	<b>-11.85%</b>
	Fict Name Ren - Pod Corp - 40	480.00	720.00	480.00	1,680.00	2,000.00	
	Biennial Renewal - Podiatrist 900	66,612.00	121,512.00	68,412.00	256,536.00	307,072.00	
	<b>Total Regulatory Renewal Fees</b>	<b>67,092.00</b>	<b>122,232.00</b>	<b>68,892.00</b>	<b>258,216.00</b>	<b>309,072.00</b>	<b>-19.70%</b>
	Delinquency Fee - Podcorp - 150	450.00	12.00	138.00	600.00	450.00	
	Deli. Renewal - Fic Name - Pod	0.00	0.00	0.00	0.00	80.00	
	Penalty Fee - Pod - Var	900.00	0.00	450.00	1,350.00	1,350.00	
	<b>Total Delinquency Fees</b>	<b>1,350.00</b>	<b>12.00</b>	<b>588.00</b>	<b>1,950.00</b>	<b>1,880.00</b>	<b>3.59%</b>
	Dishonored Check Fee - Var	0.00	0.00	0.00	0.00	25.00	
	<b>Total Board of Podiatric Medicine</b>	<b>80,632.20</b>	<b>130,937.03</b>	<b>90,295.56</b>	<b>301,864.79</b>	<b>361,058.60</b>	<b>-19.61%</b>

### 3. DCA FUND CONDITION ANALYSIS – Authorized Expenditures

As with past practice and in accord with sound governmental financial planning principals, the DCA fund analysis assumes full budget expenditure. Due to the assumption that BPM will expend all authorized expenditures, the months in reserve are significantly less than predictions below as well as those predicted in the recent fee study. Please refer to the most recent fund condition analysis received from DCA in Attachment A.

DCA Fund Condition 9/30/15 (in 1,000s)	Two Years Prior Actual	Prior Year Actual	Budget Year	Budget Year +1
	2013/14	2014/15	2015/16	2016/17
Beginning Balance	908	947	993	470
Revenue	997	909	943	942
Total Resources	1,905	1,857	1936	1412
Expenditures	957	861	1466	1492
Reserve	947	993	470	-80
Months in Reserve	11.4	7.75	3.8	-0.6

#### 4. BPM FUND CONDITION ADJUSTMENT ANALYSIS – Projected Expenditures

BPM's fund analysis begins with a \$993,000 reserve balance. The predictions assume expenditures and revenue to remain stable as in the recent past.

BPM FUND CONDITION ANALYSIS (in 1,000s)	Two Years Prior Actual	Prior Year Actual	Budget Year	Budget Year +1
	2013/14	2014/15	2015/16	2016/17
Beginning Balance	908	947	993	1,006
Revenue	997	909	943	940
Total Resources	1,905	1,857	1,936	1,946
Expenditures	957	861	930	940
Reserve	947	993	1,006	1006
Months in Reserve	11.4	12.2	12.6	12.8

#### 5. SHARED SERVICES EXPENDITURES

The Medical Board Shared Services expenditures have not yet been presented to BPM for FY 15-16. We have been informed that these numbers are being worked on now and that the final numbers for this year will be determined shortly. Until that time, it has been recommended by the Medical Board that we use the same number from last year for this

year's reporting. That number is \$35,990 and this covers the services shared with MBC regarding discipline coordination, central complaint unit, consumer information unit, and podiatric fictitious name permit registrations for this FY 15-16.

		FY	FY	FY
		13/14	14/15	15/16*
<b>Medical Board Shared Services</b>	<b>Description</b>	<b>Cost</b>	<b>Cost</b>	<b>Cost</b>
Discipline Coordination Unit (DCU)	Charges are prorated based on the total number of cases tracked during the prior fiscal year in relation to the cost of maintaining staff for the purposes of performing a wide range of duties associated with the coordination of disciplinary actions.	\$9,670	\$4,521	\$4,521
Consumer Services: Central Complaint Unit (CCU)	Charges are prorated based on the actual number of complaints received during the prior fiscal year in relation to the cost of maintaining staff for the purposes of performing a wide range of duties associated with the management of complaints.	\$28,635	\$29,373	\$29,373
Consumer Information Unit (CIU)	Charges are prorated based on actual verification activity in relation to the cost of maintaining staff support to verify licensure of DPMs for interested parties.	\$124	\$124	\$124
Podiatric Fictitious Name Permit Registrations	Charges are based on the actual number of permits processed during the prior fiscal year in relation to the cost of maintaining clerical support to perform duties associated with the issuance and maintenance of FNPs.	\$2,014	\$1,972	\$1,972
*Estimates – awaiting info from Medical Board				
<b>TOTAL</b>		<b>\$40,443</b>	<b>\$35,900</b>	<b>\$35,990</b>

## 6. ATTORNEY GENERAL COSTS

The total Attorney General expenses for the first quarter of FY 15-16 were \$49,998. This number represents attorneys, paralegals, and auditor charges.

<b>Board of Podiatric Medicine - AG Costs FY 15-16 Q1</b>			
<b>AG - DOJ Costs</b>	<b>Number of Hours</b>	<b>Rate</b>	<b>Amount</b>
<b>July</b>			
Attorney Services	51.50	\$170.00	\$8,755.00
Paralegal Services	2.50	\$120.00	\$300.00
Auditor	1.00	\$99.00	\$99.00
Cost of Suit	-	\$-	\$-
<b>Total July</b>	<b>55.00</b>		<b>\$9,154.00</b>
<b>August</b>			
Attorney Services	88.00	\$170.00	\$14,960.00
Paralegal Services	3.00	\$120.00	\$360.00
Auditor	1.00	\$99.00	\$99.00
Cost of Suit	-	\$-	\$-
<b>Total August</b>	<b>92.00</b>		<b>\$15,419.00</b>
<b>September</b>			
Attorney Services	148.25	\$170.00	\$25,202.50
Paralegal Services	-	\$120.00	\$0.00
Auditor	2.25	\$99.00	\$222.75
Cost of Suit	-	\$86.00	\$0.00
	<b>92.25</b>		<b>\$25,425.25</b>
<b>Total September</b>			
<b>TOAL AG Costs FY 15-16 Q1</b>			<b>\$49,998.25</b>

## 7. ENFORCEMENT PROBATION RECEIPTS

BPM has recovered a total of \$24,038 for cost recovery and probation monitoring combined to date for the first quarter of FY 15-16. This amount represents the amounts offsetting enforcement expenses for BPM. The next report will show mid-year numbers and this will be a better predictor of the success of BPM's recovery efforts. Once again, where N/A is shown, the percentages cannot be formulated.

<b>Board of Podiatric Medicine FY 15-16 Q1</b>						
<b>Enforcement</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>AVERAGES w/ TOTALS</b>
<b>Cost Recovery</b>						
Number of Cases	47	55	30	21	24	35
Ordered	52,780	42,216	39,158	47,609	0	36,353
Received	45,153	34,422	31,206	29,889	1,899	28,514
Total Cost Recovery	7,627	7,795	7,952	17,720	(1,899)	7,839
% of Total Ordered	86%	82%	80%	63%	N/A	N/A
<b>Probation Monitoring</b>						
Ordered	36,485	35,117	38,713	48,700	43,297	40,462
Received	24,961	23,122	40,512	35,430	22,139	29,233
Total Probation Monitoring	13,270	11,995	(1,799)	13,270	21,158	9,184
% of Total Ordered	68%	66%	105%	73%	51%	73%
<b>TOTAL CR/PM</b>	<b>20,897</b>	<b>19,789</b>	<b>6,153</b>	<b>30,990</b>	<b>24,038</b>	<b>17,023</b>

## 8. EXTERNAL AGENCY COSTS

This represents itemized charges per Departmental Services from DCA for the first quarter in the total amount of \$45,906, and Enforcement Services from the Attorney General, Office of Administrative Hearings, and other related enforcement charges totaling \$24,827. Agency services charges to BPM total \$70,733 which is similar to FY 14-15.

<b>Board of Podiatric Medicine as of September 30, 2015</b>			
<b>External Agency Costs</b>	<b>FY 15-16</b>	<b>FY 14-15</b>	<b>Yr Comp</b>
<b>Departmental Services</b>			
OIS Pro Rata	16,750	13,661	18.44%
Indirect Distribution Co	15,500	14,297	7.76%
Central Administrative Services	12,156	11,831	2.67%
DOI - ISU Pro Rata	500	448	10.40%
Public Affairs	500	437	12.60%
PCSD Pro Rata	500	477	4.60%
<b>TOTAL DEPARTMENTAL SERVICES</b>	<b>45,906</b>	<b>41,151</b>	<b>10.36%</b>
<b>Enforcement</b>			
Attorney General	24,573	15,595	36.54%
Evidence/Witness	0	3,569	N/A
Court Reporting Services	254	0	100.00%
Invest - SVS - MBC Only	0	5,115	N/A
<b>TOTAL ENFORCEMENT</b>	<b>24,827</b>	<b>24,279</b>	<b>2.21%</b>
<b>TOTAL DEPT SERVICES &amp; ENFORCEMENT</b>	<b>70,733</b>	<b>65,430</b>	<b>7.50%</b>

## 9. BOARD EXPENDITURES REPORT

This information is provided to give all BPM Board Members the data they need to monitor expenditures. BPM expects additional per diem and travel expenses to be submitted shortly. Comparative board expenditures for FY 14-15 may be made available by the next mid-year reporting cycle.

<b>Board of Podiatric Medicine FY 15-16 Q1</b>				
<b>Board Expenses</b>				
<b>Per Diem</b>	<b>Jul-2015</b>	<b>Aug-2015</b>	<b>Sep-2015</b>	<b>YTD</b>
Cha	0	100	100	200
Dixon	0	100	100	200
Mansdorf	0	100	100	200
Manzi	0	100	100	200
Masaniai	0	0	100	100
Zapf	0	100	100	200
Vacant	0	0	0	0
<b>Total Per Diem</b>	<b>0</b>	<b>500</b>	<b>600</b>	<b>1,100</b>
<b>Board Travel</b>				
Cha	0	0	297	297
Dixon	0	0	398	398
Mansdorf	0	0	325	325
Manzi	0	0	0	0
Masaniai	0	0	0	0
Zapf	0	0	297	297
Vacant	0	0	0	0
<b>Total Travel</b>	<b>0</b>	<b>0</b>	<b>1,317</b>	<b>1,317</b>
<b>Total Board Expenses Q1</b>	<b>0</b>	<b>500</b>	<b>1,917</b>	<b>2,417</b>

## 10. TRENDS

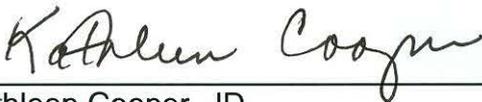
In terms of evaluating financial trends for BPM, the recent Fee Audit is current and contains multiple analyses of available data. In short, BPM is currently able to return significant amounts to its fund, however, this is due to the fact that multiple staff positions were vacant for significant periods in FY 14-15, and BPM exercised financial restraint in all possible areas. With essential staff now in place, increased costs for BreZE and pro rata charges, as well as additional tasks being desired by the Board such as public outreach, etc... it is anticipated that it will be more difficult for BPM to return similar amounts to its fund condition as it did in this last fiscal year.

## NEXT STEPS

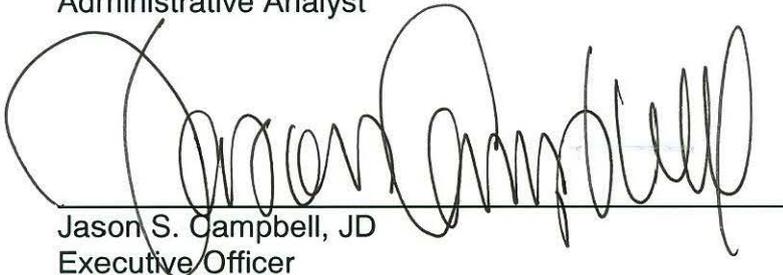
As FY 15-16 progresses, we continue to monitor expenses and revenues and report on a quarterly basis with comparisons for each quarter to the same period the prior year.

**ATTACHMENTS:** Attachment A – DCA Fund Condition Analysis

Prepared by: Kathleen Cooper, JD



Kathleen Cooper, JD  
Administrative Analyst



Jason S. Campbell, JD  
Executive Officer

# 0295 - Podiatric Medicine Analysis of Fund Condition

Updated 9/1/2015

(Dollars in Thousands)

**2015-16 Governors Budget**

	<b>ACTUAL</b>	<b>BY</b>	<b>BY+1</b>
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>BEGINNING BALANCE</b>	\$ 947	\$ 993	\$ 470
Prior Year Adjustment	\$ (2)	\$ -	\$ -
Adjusted Beginning Balance	\$ 945	\$ 993	\$ 470
<b>REVENUES AND TRANSFERS</b>			
Revenues:			
125600 Other regulatory fees	\$ 8	\$ 4	\$ 4
125700 Other regulatory licenses and permits	\$ 80	\$ 75	\$ 75
125800 Renewal fees	\$ 812	\$ 857	\$ 857
125900 Delinquent fees	\$ 5	\$ 5	\$ 5
141200 Sales of documents	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -
150300 Income from surplus money investr	\$ 3	\$ 1	\$ -
160400 Sale of fixed assets	\$ -	\$ -	\$ -
161000 Escheat of unclaimed checks and w	\$ 1	\$ 1	\$ 1
161400 Miscellaneous revenues	\$ -	\$ -	\$ -
Totals, Revenues	\$ 909	\$ 943	\$ 942
Totals, Resources	\$ 1,854	\$ 1,936	\$ 1,412
<b>EXPENDITURES</b>			
Disbursements:			
8880 Financial Information System for California (State	\$ 1	\$ 3	
0840 State Controller ( State Operations)	\$ -	\$ -	\$ -
1110 Program Expenditures (State Operations)	\$ 860	\$ 1,463	\$ 1,492
Estimated Savings		\$ -	\$ -
Total Disbursements	\$ 861	\$ 1,466	\$ 1,492
<b>FUND BALANCE</b>			
Reserve for economic uncertainties	\$ 993	\$ 470	\$ -80
<b>Months in Reserve</b>	8.1	3.8	-0.6

NOTES: A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED IN BY+1 AND ON-GOING.

B. ASSUMES APPROPRIATION GROWTH OF 2% PER YEAR BEGINNING BY+1.

C. ASSUMES INTEREST RATE AT 0.3%