



BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM, GOVERNOR

**Budget Office, DCA**  
1625 North Market Blvd, Sacramento, CA 95834



## MEMORANDUM

<b>DATE</b>	July 27, 2022
<b>TO</b>	Elaine Yamaguchi, Executive Officer, Board of Vocational Nursing and Psychiatric Technicians
<b>FROM</b>	Bill Loyd, Budget Analyst, Department of Consumer Affairs Budget Office
<b>SUBJECT</b>	<b>FM 11 Budget Report</b>

### Summary:

BVNPT began fiscal 2021-22 year with a \$4,076,000 beginning fund balance, received about \$17,834,000, and expended about \$18,591,000. The board will have other statewide expenditures, outside of the appropriated amount, of \$2,049,000 for a total of \$20,640,000 expenditures.

BVNPT received budget authority of \$18,317,000 for budget year 2021-22 as well as an AG augmentation of \$550,000 to offset more than expected AG caseload expenses. This resulted in an overall budget appropriation of \$18,867,000 for the fiscal year resulting in a budget reversion of about \$276,000.

Currently BVNPT is structurally imbalanced meaning expenditures exceed revenues. This structural imbalance will increase over time and can cause the fund to become insolvent if unattended.

Last fiscal year, the board voted and passed a fee increase which is in the process of promulgating their regulations and should become effective mid to late September 2022. These additional revenues are anticipated to total nearly \$6.5m annually and will help address the structural imbalance and help sustain the fund in out years. Please note however, that for FY 2022-23, the board should receive about \$3.25m due to the fee increases starting around midway through the fiscal year, and since these fees are still in the regulatory process, the effective date may be later than anticipated. As a result of AB 1536 new school programs are anticipated to submit new applications generating additional fees. We have already seen some of this revenue materialize in a limited way.

BVNPT has an authorized position count of 73.4. Currently there are 9.4 vacancies for a vacancy rate of 14.2%. Per BCP 2022-23 1111-121, BVNPT will receive 3 new positions, 1 AGPA and 2 NECs. This will increase overall expenditures by approximately \$550,000.

Board Meeting Budget Memo  
BVNPT Board of California  
August 12, 2022

**Recommendations:**

BVNPT should:

- A) Look for ways to reduce costs that do not impact consumer protection.
- B) Closely monitor revenue of new schools to ensure projected revenue materializes.
- C) Fill vacant positions that are mission critical.
- D) Continue to work with the Budget office to ensure spending is within appropriated limits.

• **Fund Condition CY 2021-22**

ITEM	CY	BY	BY+1
Beginning Balance	\$ 4,076	\$ 1,270	\$ 1,398
Revenue Projections	\$ 17,834	\$ 19,313	\$ 19,289
Expenditure Projections	\$ 20,640	\$ 19,185	\$ 19,721
Ending Balance	\$ 1,270	\$ 1,398	\$ 966
Months in Reserve	\$ 0.8	\$ 0.9	\$ 0.6

• **Expenditures 2021-22**

ITEM	YTD + ENC	PROJECTED
Personnel Services	\$ 7,359	\$ 7,999
AG	\$ 2,644	\$ 2,644
Pro Rata	\$ 5,928	\$ 5,928
Total Expenditures	\$ 17,494	\$ 18,591
Projected Reversion		\$ 276
Reversion Percentage of Budget		1.5%

• **Revenues 2021-22**

ITEM	YTD	PROJECTED
Delinquent Fees	\$ 241	\$ 259
Renewal Fees	\$ 11,853	\$ 12,030
Other Regulatory Fees	\$ 380	\$ 408
Other Regulatory Licenses and Permits	\$ 4,683	\$ 5,082
Other Revenue	\$ 19	\$ 54
Total Revenue	\$ 17,175	\$ 17,834

\* In Thousands

**Department of Consumer Affairs**

**Board of Vocational Nursing & Psychiatric Technicians - Revenue Projection Report**

Reporting Structure(s): 11113500 Support

Fiscal Month: 11 Fiscal Year: 2021 - 2022 Run Date: 06/13/2022

**Revenue**

Fiscal Code	Budget	Year to Date	Projection To Year End	Balance
Delinquent Fees	\$287,000	\$240,740	\$259,080	\$27,920
Other Regulatory Fees	\$701,000	\$379,660	\$408,023	\$292,977
Other Regulatory License and Permits	\$4,926,000	\$4,682,986	\$5,082,433	-\$156,433
Other Revenue		\$18,927	\$54,344	(\$54,344)
Renewal Fees	\$12,247,000	\$11,852,915	\$12,029,972	\$217,028
<b>Revenue</b>	<b>\$18,224,000</b>	<b>\$17,175,227</b>	<b>\$17,833,851</b>	<b>\$390,149</b>

**Reimbursements**

Fiscal Code	PY	Year to Date	Projection To Year End	Balance
Scheduled Reimbursements	\$0	\$47,083	\$55,578	
Unscheduled Reimbursements	\$0	\$240,320	\$284,142	
<b>Reimbursements</b>	<b>\$0</b>	<b>\$330,966</b>	<b>\$339,719</b>	

Board of Vocational Nursing & Psychiatric Technicians - Expenditure Projection Report

Fiscal Month: 11 - Fiscal Year: 2021 - 2022 - Run Date: 06/13/2022

PERSONNEL SERVICES

Fiscal Code	PY Budget	PY FM13	Budget	YTD + Encumbrance	Projections to Year End	Balance
5100 PERMANENT POSITIONS	\$4,048,000	\$4,387,262	\$4,778,000	\$4,616,726	\$5,019,859	-\$241,859
5100 TEMPORARY POSITIONS	\$169,000	\$159,413	\$169,000	\$113,476	\$118,838	\$50,162
5105-5108 PER DIEM, OVERTIME, & LUMP SUM	\$17,000	\$25,204	\$17,000	\$24,113	\$31,230	-\$14,230
5150 STAFF BENEFITS	\$2,630,000	\$2,573,712	\$2,922,000	\$2,604,615	\$2,829,547	\$92,453

OPERATING EXPENSES & EQUIPMENT

Fiscal Code	PY Budget	PY FM13	Budget	YTD + Encumbrance	Projections to Year End	Balance
5301 GENERAL EXPENSE	\$433,000	\$66,520	\$408,000	\$49,661	\$52,427	\$355,573
5302 PRINTING	\$71,000	\$132,504	\$64,000	\$101,989	\$102,288	-\$38,288
5304 COMMUNICATIONS	\$50,000	\$55,103	\$51,000	\$34,585	\$41,502	\$9,498
5306 POSTAGE	\$57,000	\$32,825	\$54,000	\$27,899	\$27,899	\$26,101
5308 INSURANCE	\$0	\$992	\$0	\$129	\$992	-\$992
53202-204 IN STATE TRAVEL	\$152,000	\$340	\$145,000	\$20,011	\$21,830	\$123,170
5322 TRAINING	\$9,000	\$4,460	\$9,000	\$2,795	\$3,049	\$5,951
5324 FACILITIES	\$496,000	\$465,632	\$499,000	\$516,055	\$517,335	-\$18,335
53402-53403 C/P SERVICES (INTERNAL)	\$3,233,000	\$3,783,053	\$3,783,000	\$3,062,113	\$3,783,484	-\$484
53404-53405 C/P SERVICES (EXTERNAL)	\$238,000	\$340,744	\$238,000	\$301,237	\$305,173	-\$67,173
5342 DEPARTMENT PRORATA	\$5,267,000	\$4,784,176	\$5,933,000	\$5,928,000	\$5,928,000	\$5,000
5342 DEPARTMENTAL SERVICES	\$14,000	\$31,013	\$14,000	\$19,879	\$32,678	-\$18,678
5344 CONSOLIDATED DATA CENTERS	\$54,000	\$43,237	\$56,000	\$0	\$43,237	\$12,763
5346 INFORMATION TECHNOLOGY	\$42,000	\$5,477	\$42,000	\$2,656	\$2,898	\$39,102
5362-5368 EQUIPMENT	\$34,000	\$60,821	\$36,000	\$66,801	\$66,801	-\$30,801
5390 OTHER ITEMS OF EXPENSE	\$23,000	\$0	\$23,000	\$0	\$0	\$23,000
54 SPECIAL ITEMS OF EXPENSE	\$0	\$2,634	\$0	\$1,365	\$1,585	-\$1,585
OPERATING EXPENSES & EQUIPMENT	\$10,173,000	\$9,809,530	\$11,355,000	\$10,135,175	\$10,931,176	\$423,824
OVERALL TOTALS	\$17,037,000	\$16,955,120	\$18,867,000	\$17,163,138	\$18,590,930	\$276,070

0.48%

1.46%

**0779 - Board of Vocational Nursing and Psychiatric Technicians Fund**  
**Analysis of Fund Condition**  
(Dollars in Thousands)  
2022-23 Budget Act - 2021-22 FM11 Projections

	<b>Actual 2020-21</b>	<b>PY 2021-22</b>	<b>CY 2022-23</b>	<b>BY 2023-24</b>	<b>BY +1 2024-25</b>
<b>BEGINNING BALANCE</b>	\$ 5,217	\$ 4,076	\$ 1,270	\$ 1,398	\$ 965
Prior Year Adjustment	\$ -964	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 4,253	\$ 4,076	\$ 1,270	\$ 1,398	\$ 965
<b>REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>					
Revenues					
4121200 - Delinquent fees	\$ 285	\$ 259	\$ 296	\$ 296	\$ 296
4127400 - Renewal fees	\$ 11,981	\$ 12,030	\$ 12,608	\$ 12,608	\$ 12,608
4129200 - Other regulatory fees	\$ 418	\$ 408	\$ 720	\$ 720	\$ 720
4129400 - Other regulatory licenses and permits	\$ 4,976	\$ 5,083	\$ 5,632	\$ 5,632	\$ 5,632
4143500 - Miscellaneous Services to the Public	\$ -	\$ -	\$ 2	\$ 2	\$ 2
4163000 - Income from surplus money investments	\$ 35	\$ 45	\$ 39	\$ 14	\$ -
4171400 - Escheat of unclaimed checks and warrants	\$ 10	\$ 7	\$ 8	\$ 8	\$ 7
4172500 - Miscellaneous revenues	\$ 1	\$ 2	\$ 8	\$ 8	\$ 8
4173500 - Settlements and Judgements - Other	\$ 15	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 17,721	\$ 17,834	\$ 19,313	\$ 19,288	\$ 19,273
<b>TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>	\$ 17,721	\$ 17,834	\$ 19,313	\$ 19,288	\$ 19,273
<b>TOTAL RESOURCES</b>	\$ 21,974	\$ 21,910	\$ 20,583	\$ 20,686	\$ 20,238
Expenditures:					
1111 Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ 16,638	\$ 18,591	\$ 17,852	\$ 18,388	\$ 18,939
Chapter 16, Statutes of 2020 (AB 84)	\$ -	\$ 716	\$ -	\$ -	\$ -
9892 Supplemental Pension Payments (State Operations)	\$ 246	\$ 246	\$ 246	\$ 246	\$ 246
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 1,014	\$ 1,087	\$ 1,087	\$ 1,087	\$ 1,087
<b>TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>	\$ 17,898	\$ 20,640	\$ 19,185	\$ 19,721	\$ 20,272
<b>FUND BALANCE</b>					
Reserve for economic uncertainties	\$ 4,076	\$ 1,270	\$ 1,398	\$ 965	\$ -34
Months in Reserve	2.4	0.8	0.9	0.6	0.0

**NOTES:**

Assumes workload and revenue projections are realized in BY +1 and ongoing.  
Expenditure growth projected at 3% beginning BY +1.  
Expenditures General Salary 4.55% increase.