

Veterinary Medical Board

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MEMORANDUM

DATE	August 2018
TO	Veterinary Medical Board
FROM	Ethan Mathes. Operations Manager
SUBJECT	Administrative/Budget Report

Expenditure Report and Fund Condition Status

The most current Expenditure Report (through May) is attached.

Budget Activities

Budget Change Proposal(s): The Department of Finance approved the Veterinary Medical Board's (Board) mid-year augmentation request to increase the Board's Attorney General appropriation from \$560,000 to \$932,000 to reflect ongoing higher expenditures for this line item.

In order to implement Senate Bill [1480](#) (mandating 20% yearly veterinary premises inspections), the Board will request additional spending authority in the Fall of 2018 for additional staff and premises inspectors via a Legislative Budget Change Proposal.

FI\$Cal: The State's new FI\$Cal system continues to be a challenge to quickly and effectively monitor the Board's expenditures and revenues. Staff will continue to work with the Department's Budget Office to provide timely and accurate information and realign Expenditure Reports in the Fall to better align with actual cost areas where expenditures are drawn.

MAXIMUS Program Cost

At its May 2018 meeting, the Board requested information on Diversion Program costs to the Board to consider whether participant costs should be increased.

The Board currently contracts through MAXIMUS Health Services to run its Diversion Program (along with seven other Department Boards). The contract terms with MAXIMUS run from January 1, 2015 through December 31, 2019. The Board encumbers the cost for six program participants per year; however, any unspent encumbered funds are returned to the Board at the end of each Fiscal Year. Diversion Program Managers and Department contract staff are currently working on a formal Request for Proposal for a new diversion program contract once the current contract expires.

In accordance with 16 CCR Section [2070](#), participants in the Diversion Program pay a flat \$2,000 fee, to be paid to the Board through MAXIMUS in a lump sum or installments. Participants are required to be in the Program for a minimum of three years and are not considered having completed the Diversion Program until all Board fees have been paid. Participants also pay their own cost for mandatory drug testing and health support groups.

MAXIMUS invoices the Board per Participant, per month; per the contract, current per participant fees invoiced to the Board are \$369.50 per month.

MAXIMUS Contract Cost (1/1/2015 – 12/31/2019)					
	2015	2016	2017	2018	2019
Board Cost per Participant per Month	\$338	\$348	\$358	\$369	\$380
Board Cost per Participant per Year	\$4,056	\$4,176	\$4,296	\$4,428	\$4,560
Participant Cost per Participant per Year*	\$667	\$667	\$667	\$667	\$667
<i>*assumes the minimum three year participation in Program</i>					

MAXIMUS has been the Board's Diversion Program contractor since July 2003. In that time, it has seen 33 total participants of which 11 have successfully completed the Program (with four currently in the Program).

VETERINARY MEDICAL BOARD - 0777
BUDGET REPORT
FY 2017-18 EXPENDITURE PROJECTION
May-2018

OBJECT DESCRIPTION	FY 2016-17		FY 2017-18				
	ACTUAL EXPENDITURES	PRIOR YEAR EXPENDITURES	BUDGET ACT	CURRENT YEAR EXPENDITURES	PERCENT SPENT	PROJECTIONS TO YEAR END	UNENCUMBERED BALANCE
	(MONTH 13)	5/31/2017	2017/18	5/31/2018			
PERSONNEL SERVICES							
Salary & Wages (Staff)	1,019,574	935,727	1,076,000	936,109	87%	1,027,210	48,790
Statutory Exempt (EO)	94,812	86,838	82,000	68,983	84%	68,983	13,017
Temp Help Reg (Seasonals)	25,472	19,943	0	32,097	N/A	35,015	(35,015)
Temp Help (Exam Proctors)	0		33,000			0	0
Board Member Per Diem	7,700		14,000	9,700	69%	10,582	3,418
Committee Members (DEC)	4,600		11,000			0	11,000
Overtime	426	129	0	14,081	N/A	15,361	(15,361)
Staff Benefits	666,328	608,001	665,000	615,711	93%	671,685	(6,685)
TOTALS, PERSONNEL SVC	1,818,912	1,650,638	1,881,000	1,676,681	89%	1,828,835	19,165
OPERATING EXPENSE AND EQUIPMENT							
General Expense	34,243	31,707	26,000	19,519	75%	21,293	4,707
Fingerprint Reports	512	512	6,000			0	6,000
Minor Equipment	124	124				0	0
Printing	26,881	26,831	18,000	39,088	217%	42,641	(24,641)
Communication	1,336	1,230	18,000	1,680	9%	1,833	16,167
Postage	23,402	19,549	26,000	26,000	100%	26,000	0
Insurance	20	20	0	6,280	N/A	6,851	(6,851)
Travel In State	72,636	63,228	148,000	32,541	22%	35,499	112,501
Training	68	68	17,000		N/A	0	17,000
Facilities Operations	117,554	117,135	102,000	109,887	108%	119,877	(17,877)
C & P Services - Interdept.	0			84	N/A	84	(84)
C & P Services - External	257,713	243,812	138,000	178,821	130%	195,077	(57,077)
DEPARTMENTAL SERVICES (PRO RATA):							
Office of Information Services	488,657	461,087	506,000	463,833	92%	506,000	0
Admin/Exec	261,981	231,000	301,000	275,917	92%	301,000	0
IA w/ OPES	70,832	75,210				0	0
DO I- Spec Ops (Internal)	6,439	6,413	7,000	6,417	92%	7,000	0
Communications Division	50,079	46,750	9,000	8,250	92%	9,000	0
Program Policy Review Division	1,308	1,837	47,000	43,083	92%	47,000	0
INTERAGENCY SERVICES:							
Consolidated Data Center	26	23	50,000	7,365	15%	8,035	41,965
DP Maintenance & Supply	0		8,000				8,000
Information Technology	3,369	3,369	5,000	4,044	81%	5,000	0
EXAM EXPENSES:							
Exam Supplies	0		1,000			0	1,000
Exam Site Rental	0		5,000			0	5,000
C/P Svcs-External Expert Examiners	40,686	40,686	31,000	272,054	878%	296,786	(265,786)
C/P Svcs-External Subject Matter	36,688	34,688				0	0
ENFORCEMENT:							
Attorney General	657,122	555,132	932,000	833,263	89%	909,014	22,986
Office Admin. Hearings	151,691	142,646	154,000	113,215	74%	135,858	18,142
Court Reporters	9,363	8,523				0	0
Evidence/Witness Fees	162,244	128,405	163,000			0	163,000
DOI - Investigations	825,796	807,587	522,000	478,500	92%	522,000	0
Major Equipment	0		10,000	6,899	69%	6,899	3,101
TOTALS, OE&E	3,300,770	3,047,572	3,253,000	2,926,740	90%	3,202,748	50,252
TOTAL EXPENSE	5,119,682	4,698,210	5,134,000	4,603,421	90%	5,031,583	69,417
Sched. Reimb. - External/Private							
Sched. Reimb. - Fingerprints	(5,640)		(11,000)			(11,000)	
Sched. Reimb. - Other		(4,465)	(15,000)	(4,465)		(15,000)	
Unsched. Reimb. - Other	(197,407)	(168,767)		(193,306)			
NET APPROPRIATION	4,916,635	4,524,978	5,108,000	4,405,650	86%	5,005,583	69,417
SURPLUS/(DEFICIT):							1.4%

**Veterinary Medical Board
Summary of Expenditures - 2017/2018**

Line Item	Appropriation	Summary of Expenses
Personal Services:		
Salary & Wages (Staff)	1,076,000	Board staff salaries
Statutory Exempt (EO)	82,000	Executive Officer salary
Temp Help Reg (Seasonals)	0	Wages for temporary help such as a permanent-intermittent employees, students, seasonal employees, etc.
Temp Help Reg (Exam Proctors)	33,000	Examination Proctors
Board Member Per Diem	14,000	Board members' per-diem
Committee Members (DEC)	11,000	Committee members' per-diem
Overtime		Staff Overtime
Staff Benefits	665,000	OASDI, Dental, health, retirement, life, vision, Medicare
Total Personal Services	1,881,000	
Operating Expenses & Equipment:		
General Expense	26,000	Office supplies, freight
Fingerprint Reports	6,000	Fingerprint expenses – reimbursed by candidate
Minor Equipment		Equipment less than \$5K per unit
Printing	18,000	Printed forms, office copier, copying service
Communication	18,000	Phones, cellular phones
Postage	26,000	Stamps, DCA and EDD facility mailed postage
Insurance		Insurance coverage for department owned vehicles.
Travel In-State	148,000	Board, Committee, and Staff Air, car, bus, taxi, incidentals, service fees
Travel Out-of-State		Same as above - out-of-State
Training	17,000	Registration fees, subscriptions
Facilities Operations	102,000	Rent, storage, security
Utilities		Electricity, Natural Gas (P.G.& E.), water, sewer, and regular waste removal service.
C&P Services Interdept.		Services provided by other state agencies or Interagency Agreement within the Department of Consumer Affairs.
C&P Services External	138,000	Outside DCA contracts - incl. MAXIMUS and Credit Card processing
Departmental Services		
OIS Prorata	506,000	DCA Svcs: Info systems (incl. BreZze)
Admin/Exec	301,000	Pro-rata assessments to support DCA Administrative Services (HR, Accounting, Budgets, etc.), Legal, Publications
Interagency Services		Services provided to one board by another board within the Department
IA w/OPES		Services provided by OPES to Board to develop examinations
DOI-Pro Rata Internal	7,000	Services provided by Division of Investigation Pro Rata
Communications	9,000	Services provided by DCA Public Affairs
Program Policy Review Division Pro Rata	47,000	Pro-rata Consumer and Community Empowerment Division
Interagency Services		
Consolidated Data Centers	50,000	CAS/Teale Data Center
DP Maintenance & Supply	8,000	Data processing supplies and maintenance
Information Technology	5,000	State services pro-rata (DGS, DOF, etc)
Exam Expenses		
Exam supplies	1,000	Examination materials, supplies not covered by contract
Exam site rental	5,000	Facility rental charge for vet exams administration
C/P Svcs-External Expert Examiners	31,000	Wages for services provided by expert examiners in the oral/ written examination process
C/P Svcs-External Subject Matter		Services provided by subject matter experts in the oral/written examination process, VET and RVT
Enforcement		
Attorney General	932,000	Office of the Attorney General/DAG legal services
Office of Admin Hearings	154,000	Office of Administrative Hearings, Admin. Law Judge and court reporter services
Court Reporters		
Evidence/Witness Fees	163,000	Expert Witness and In-house Consultants enforcement case review
DOI - Investigations	522,000	DCA Division of Investigation services
Major Equipment	10,000	Equipment more than \$5k per unit
Vehicle Operations	3,000	Leasing & maintenance of State vehicle (CPEI BCP)
Total OE&E	3,253,000	
Total Personal Services (above)	1,881,000	
Totals, Expenditures	5,134,000	
Sched. Reimb. - External		Reimbursements for OIS Public Sales
Sched. Reimb. - Fingerprints	(11,000)	Reimbursements for assessment of fingerprint processing fees
Sched. Reimb. - Other	(15,000)	Reimbursements from private individuals, firms, institutions or corporations
Unscheduled Reimbursment		Investigative Cost Recovery
Net Appropriation	5,108,000	

**0777 - Veterinary Medical Board
Analysis of Fund Condition**

Prepared 7/10/18

Updated 2018-19 Budget Act with FM 11 PY Projections
With Fee Increase - Effective March 1, 2018

	PY 2017-18	CY 2018-19	BY 2019-20	BY+1 2020-21
BEGINNING BALANCE	\$ 1,822	\$ 1,375	\$ 2,188	\$ 2,853
Prior Year Adjustment	\$ -	\$ -		
Adjusted Beginning Balance	\$ 1,822	\$ 1,375	\$ 2,188	\$ 2,853
REVENUES AND TRANSFERS				
Revenues:				
4129200 Other regulatory fees	\$ 87	\$ 88	\$ 88	\$ 88
4129400 Other regulatory licenses and permits	\$ 1,150	\$ 1,483	\$ 1,483	\$ 1,483
4127400 Renewal fees	\$ 3,646	\$ 4,460	\$ 4,460	\$ 4,460
4121200 Delinquent fees	\$ 16	\$ 23	\$ 23	\$ 23
4140000 Sales of documents	\$ -	\$ -	\$ -	\$ -
4143500 Miscellaneous services to the public	\$ 1	\$ 1	\$ 1	\$ 1
4163000 Income from surplus money investments	\$ 18	\$ 20	\$ 9	\$ 10
4171400 Escheat of unclaimed checks and warrants	\$ 3	\$ -	\$ -	\$ -
Totals, Revenues	\$ 4,921	\$ 6,075	\$ 6,064	\$ 6,065
Totals, Revenues and Transfers	\$ 4,921	\$ 6,075	\$ 6,064	\$ 6,065
Totals, Resources	\$ 6,743	\$ 7,450	\$ 8,252	\$ 8,918
EXPENDITURES				
Disbursements:				
1111 Program Expenditures (S/O)	\$ 5,006	\$ 4,908	\$ 5,006	\$ 5,106
8880 Financial Information System for California (S/O)	\$ 6	\$ -	\$ -	\$ -
9990 Statewide Pro Rata	\$ 356	\$ 317	\$ 356	\$ 356
9892 Supplemental Pension Payments	\$ -	\$ 37	\$ 37	\$ 37
Total Disbursements	\$ 5,368	\$ 5,262	\$ 5,399	\$ 5,499
FUND BALANCE				
Reserve for economic uncertainties	\$ 1,375	\$ 2,188	\$ 2,853	\$ 3,419
Months in Reserve	3.1	4.9	6.2	7.3