

May 21, 2025

Honorable Scott D. Wiener, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Honorable Anna M. Caballero, Chair
Senate Appropriations Committee

Honorable Buffy Wicks, Chair
Assembly Appropriations Committee

**Department of Consumer Affairs—Office of Administrative Hearings Budget
Augmentation**

Pursuant to the provisions of 1111-401 of the 2024 Budget Act, the following report is respectfully submitted.

The Department of Finance has received a request from the Department of Consumer Affairs to augment the Osteopathic Medical Board of California Contingent Fund by \$139,000 to cover Office of Administrative Hearings costs. The Osteopathic Medical Board of California utilizes Office of Administrative Hearings services to continue their public protection and enforcement mandate.

Over the past five fiscal years, the Board's osteopathic physician and surgeon licensee population has increased by 36 percent, which has led to increases in the Board's enforcement needs. The growth of licensees has contributed towards the increased utilization of services provided by the Office of Administrative Hearings. The 2024 Budget Act authorizes the Department of Finance to augment the current year budgets of various healing arts boards within the Department of Consumer Affairs. Based on the expenditures through March 2025, the Osteopathic Medical Board of California is anticipating additional Office of Administrative Hearings costs of \$139,000 that cannot be absorbed within existing resources.

Finance concurs with the necessity of this change to the approved budget. A waiver of the 30-day review period is requested to allow the augmentations to occur prior to the end of the fiscal year.

If you have any questions or need additional information regarding this matter, please call Charlene Manning, Principal Program Budget Analyst, at (916) 445-8913.

JOE STEPHENSHAW

Director

By:

A handwritten signature in dark ink, appearing to read "Erika Li". The signature is fluid and cursive, with the first name "Erika" being more prominent than the last name "Li".

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Honorable Christopher Cabaldon, Chair, Senate Budget and Fiscal Review
Subcommittee No. 4
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Heath Flora, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and
Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Amy Manasero, Deputy Secretary of Fiscal Policy and Administration, Business,
Consumer Services, and Housing Agency
Kimberly Kirchmeyer, Director, Department of Consumer Affairs
Nicole Le, Deputy Director of Administration, Department of Consumer Affairs
Taylor Schick, Chief Fiscal Officer, Department of Consumer Affairs
Robert de los Reyes, Assistant Chief Fiscal Officer, Department of Consumer Affairs



BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM, GOVERNOR
DEPARTMENT OF CONSUMER AFFAIRS • OSTEOPATHIC MEDICAL BOARD OF CALIFORNIA
1300 National Drive, Suite 150, Sacramento, CA 95834
P (916) 928-8390 | F (916) 928-8392 | www.ombc.ca.gov



May 13, 2025

TO: Charlene Manning, Principal Program Budget Analyst
Department of Finance

VIA: Tomiquia Moss, Secretary
Business, Consumer Services, and Housing Agency

VIA: Kimberly Kirchmeyer, Director
Department of Consumer Affairs

FROM: Erika Calderon, Executive Director
Osteopathic Medical Board of California

SUBJECT: 2024-25 Budget Bill Language (Item 1111-401) – Attorney General and Office of
Administrative Hearings Expenditures.

Pursuant to the 2024 Budget Act (Ch. 22, Statutes of 2024) Item 1111-401, and based on fiscal year 2024-25 expenditures through March 31, 2025, the Osteopathic Medical Board of California (Board) is requesting a total budget augmentation of \$139,000 for its Office of Administrative Hearing (OAH) line item.

The Board has expended \$141,000 for OAH services through March 31, 2025, or 271 percent of the \$52,000 budget. Based on the amount of cases, as well as the trend for the last three months, the Board is projecting to expend an additional \$50,000 in OAH expenditures by year-end, presenting a shortfall in their OAH budget of approximately \$139,000.

OAH Invoices (July 2024-March 2025):

July	\$2,743
August	\$988
September	\$594
October	\$4,787
November	\$3,313
December	\$2,743
January	\$28,416
February	\$52,786
March	\$44,391

Enforcement is the foundation of the Board's public protection mandate; therefore, the Board must continue to process its enforcement caseload, which primarily deals with licenses who have violations related to incompetence, gross negligence, substance and alcohol abuse, drug diversion, prescription forgeries, sales of controlled substances, and sexual misconduct.

By securing the necessary resources for enforcement activities, the Board can effectively identify, investigate, and discipline individuals whose actions jeopardize the well-being of patients and the public.

While the Board takes proactive measures to prioritize and manage enforcement cases to ensure adequate funds remain at the end of the fiscal year, the Board cannot place cases on hold or delay their prosecution. Doing so would negatively impact the Board's ability to protect the public. Consumers expect and deserve the Board to discipline licensees who violate the Medical Practice Act.

The requested augmentation is vital to the Board's enforcement efforts to remove osteopathic physicians with serious violations from practice and to ensure utmost protection is given to the public.

The following caseload information will hopefully provide an additional perspective on the Board's funding needs and the magnitude of its overall enforcement caseload.

Number of Board Investigations Open as of 3/31/25: 92

Office of Administrative Hearing

Number of Cases Heard (7/1/2024-3/31/2025)	13
Number of Cases Scheduled for Hearing (4/1/2025-6/30/2025)	1

If you have any questions, please contact the DCA Budget Office at (279) 278-5833. Thank you for your time and consideration of this request.

Attachments:

1. Board's Fiscal Month 9 Expenditure Projections
2. Fund Condition Statement (Fund 0264)

cc: Amy Manasero, Deputy Secretary of Fiscal Policy and Admin, Business, Consumer Services, and Housing Agency
Kimberly Kirchmeyer, Director, Department of Consumer Affairs
Taylor Schick, Chief Fiscal Officer, Department of Consumer Affairs
Robert De Los Reyes, Assistant Chief Fiscal Officer, Department of Consumer Affairs
Karen Munoz, Budget Officer, Department of Consumer Affairs

Department of Consumer Affairs
Expenditure Projection Report
Osteopathic Medical Board
Reporting Structure(s): 11112600 Support
Fiscal Month: 9
Fiscal Year: 2024 - 2025

PERSONAL SERVICES

Fiscal Code	Line Item	Budget	Current Month	YTD	Encumbrance	YTD + Encumbrance	Projections to Year End	Balance
5100	PERMANENT POSITIONS	\$1,180,000	\$100,166	\$923,626	\$0	\$923,626	\$1,223,706	-\$43,706
5100	TEMPORARY POSITIONS	\$0	\$11,336	\$34,714	\$0	\$34,714	\$64,731	-\$64,731
5105-5108	PER DIEM, OVERTIME, & LUMP SUM	\$3,000	\$600	\$1,800	\$0	\$1,800	\$2,500	\$500
5150	STAFF BENEFITS	\$766,000	\$62,270	\$551,180	\$0	\$551,180	\$741,032	\$24,968
	PERSONAL SERVICES	\$1,949,000	\$174,371	\$1,511,320	\$0	\$1,511,320	\$2,031,970	-\$82,970

OPERATING EXPENSES & EQUIPMENT

Fiscal Code	Line Item	Budget	Current Month	YTD	Encumbrance	YTD + Encumbrance	Projections to Year End	Balance
5301	GENERAL EXPENSE	\$127,000	\$2,888	\$12,216	\$3,458	\$15,675	\$16,041	\$110,959
5302	PRINTING	\$28,000	-\$2,462	\$327	\$18,377	\$18,704	\$18,704	\$9,296
5304	COMMUNICATIONS	\$24,000	\$162	\$1,496	\$0	\$1,496	\$2,622	\$21,378
5306	POSTAGE	\$10,000	\$111	\$11,063	\$112	\$11,175	\$11,247	-\$1,247
5308	INSURANCE	\$0	\$0	\$0	\$0	\$0	\$25	-\$25
53202-204	IN STATE TRAVEL	\$22,000	\$2,128	\$18,391	\$0	\$18,391	\$22,000	\$0
5322	TRAINING	\$9,000	\$0	\$0	\$0	\$0	\$0	\$9,000
5324	FACILITIES	\$128,000	\$5,111	\$60,836	\$14,524	\$75,360	\$79,051	\$48,949
53402-53403	C/P SERVICES (INTERNAL)	\$1,094,000	\$56,244	\$523,246	\$125,594	\$523,246	\$877,412	\$216,588
5340320000	Office of Adminis Hearings	\$52,000	\$0	\$15,166	\$125,594	\$15,166	\$190,760	-\$138,760
53404-53405	C/P SERVICES (EXTERNAL)	\$253,000	\$20,570	\$106,707	\$16,084	\$122,792	\$150,793	\$102,207
5342	DEPARTMENT PRORATA	\$573,000	\$90,319	\$819,169	\$0	\$819,169	\$1,067,399	-\$494,399
5342	DEPARTMENTAL SERVICES	\$3,000	\$0	\$438	\$0	\$438	\$1,000	\$2,000
5344	CONSOLIDATED DATA CENTERS	\$15,000	\$0	\$0	\$0	\$0	\$7,844	\$7,156
5346	INFORMATION TECHNOLOGY	\$10,000	\$1,420	\$13,049	\$0	\$13,049	\$19,614	-\$9,614
5362-5368	EQUIPMENT	\$30,000	\$88	\$30,988	\$5,662	\$36,650	\$36,650	-\$6,650
5390	OTHER ITEMS OF EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54	SPECIAL ITEMS OF EXPENSE	\$0	\$0	\$680	\$0	\$680	\$1,297	-\$1,297
	OPERATING EXPENSES & EQUIPMENT	\$2,326,000	\$176,577	\$1,598,605	\$183,812	\$1,656,823	\$2,311,699	\$14,301

OVERALL TOTALS	\$4,275,000	\$350,949	\$3,109,925	\$183,812	\$3,168,143	\$4,343,669	-\$68,669
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REIMBURSEMENTS	-\$53,000					-\$53,000	
OVERALL NET TOTALS	\$4,222,000	\$350,949	\$3,109,925	\$183,812	\$3,168,143	\$4,290,669	-\$68,669

ESTIMATED TOTAL NET ADJUSTMENTS	-\$66,000						
OVERALL NET TOTALS	\$4,156,000	\$350,949	\$3,109,925	\$183,812	\$3,168,143	\$4,290,669	-\$134,669

-3.24%

Department of Consumer Affairs

Expenditure Projection Report

Osteopathic Medical Board
Reporting Structure(s): 11112600 Support
Fiscal Month: 9
Fiscal Year: 2024 - 2025
With OAH Augmentation

PERSONAL SERVICES

Fiscal Code	Line Item	Budget	Current Month	YTD	Encumbrance	YTD + Encumbrance	Projections to Year End	Balance
5100	PERMANENT POSITIONS	\$1,180,000	\$100,166	\$923,626	\$0	\$923,626	\$1,223,706	-\$43,706
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5308	INSURANCE	\$0	\$0	\$0	\$0	\$0	\$25	-\$25
53202-204	IN STATE TRAVEL	\$22,000	\$2,128	\$18,391	\$0	\$18,391	\$22,000	\$0
5322	TRAINING	\$9,000	\$0	\$0	\$0	\$0	\$0	\$9,000
5324	FACILITIES	\$128,000	\$5,111	\$60,836	\$14,524	\$75,360	\$79,051	\$48,949
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5342	DEPARTMENTAL SERVICES	\$3,000	\$0	\$438	\$0	\$438	\$1,000	\$2,000
5344	CONSOLIDATED DATA CENTERS	\$15,000	\$0	\$0	\$0	\$0	\$7,844	\$7,156
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5390	OTHER ITEMS OF EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54	SPECIAL ITEMS OF EXPENSE	\$0	\$0	\$680	\$0	\$680	\$1,297	-\$1,297
	OPERATING EXPENSES & EQUIPMENT	\$2,465,000	\$176,577	\$1,598,605	\$183,812	\$1,656,823	\$2,311,699	\$153,301

OVERALL TOTALS	\$4,414,000	\$350,949	\$3,109,925	\$183,812	\$3,168,143	\$4,343,669	\$70,331
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REIMBURSEMENTS	-\$53,000					-\$53,000	
OVERALL NET TOTALS	\$4,361,000	\$350,949	\$3,109,925	\$183,812	\$3,168,143	\$4,290,669	\$70,331

ESTIMATED TOTAL NET ADJUSTMENTS	-\$66,000						
OVERALL NET TOTALS	\$4,295,000	\$350,949	\$3,109,925	\$183,812	\$3,168,143	\$4,290,669	\$4,331

0.10%

0264 - Osteopathic Medical Board of California Fund
Analysis of Fund Condition
(Dollars in Thousands)
2025 May Revise w_OAH Augmentation

Prepared 5.13.2025

	Actuals 2023-24	CY 2024-25	BY 2025-26	BY +1 2026-27
BEGINNING BALANCE				
Prior Year Adjustment	\$ 4,581	\$ 5,050	\$ 4,574	\$ 3,978
Adjusted Beginning Balance	\$ 41	\$ -	\$ -	\$ -
	\$ 4,622	\$ 5,050	\$ 4,574	\$ 3,978
REVENUES, TRANSFERS AND OTHER ADJUSTMENTS				
Revenues				
4121200 - Delinquent fees	\$ 22	\$ 22	\$ 23	\$ 23
4127400 - Renewal fees	\$ 2,233	\$ 2,383	\$ 2,259	\$ 2,259
4129200 - Other regulatory fees	\$ 47	\$ 51	\$ 52	\$ 52
4129400 - Other regulatory licenses and permits	\$ 1,423	\$ 1,462	\$ 1,507	\$ 1,507
4163000 - Income from surplus money investments	\$ 208	\$ 143	\$ 139	\$ 110
4171400 - Escheat of unclaimed checks and warrants	\$ 6	\$ -	\$ -	\$ -
4171500 - Escheat Unclaimed Property	\$ 1	\$ -	\$ -	\$ -
Totals, Revenues	\$ 3,940	\$ 4,061	\$ 3,980	\$ 3,951
TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS	\$ 3,940	\$ 4,061	\$ 3,980	\$ 3,951
TOTAL RESOURCES	\$ 8,562	\$ 9,111	\$ 8,554	\$ 7,929
Expenditures:				
1111 Department of Consumer Affairs (State Operations)	\$ 3,273	\$ 4,156	\$ 4,298	\$ 4,427
OAH Augmentation	\$ -	\$ 139	\$ -	\$ -
9892 Supplemental Pension Payments (State Operations)	\$ 53	\$ 37	\$ 37	\$ -
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 186	\$ 205	\$ 241	\$ 241
TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS	\$ 3,512	\$ 4,537	\$ 4,576	\$ 4,668
FUND BALANCE				
Reserve for economic uncertainties	\$ 5,050	\$ 4,574	\$ 3,978	\$ 3,261
Months in Reserve	13.4	12.0	10.2	8.2

NOTES:

1. Assumes workload and revenue projections are realized in CY and ongoing.
2. Expenditure growth projected at 3% beginning BY+1.