



BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY • GAVIN NEWSOM, GOVERNOR
Board of Vocational Nursing and Psychiatric Technicians
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MEMORANDUM

DATE	August 16, 2021
TO	Board Members
FROM	Elaine Yamaguchi Executive Officer
SUBJECT	Update on the Proposed Increase in Applicant, Licensee and Continuing Education Program Fees

The purpose of this memo is to provide the Board with the following information:

1. The history of fee increases;
2. Update on expected changes for Sunset legislation; and
3. A recommendation to amend regulatory packages to increase applicant, licensee, and continuing education (CE) program provider fees.

History

In 2018, it was identified that the Board had not had a fee increase authorization in over ten (10) years. [Senate Bill 1480](#) (Hill, Chapter 571, Statutes of 2018) amended the Board's fee structure in order to maintain the operation of the Board and restore funds in its reserve for economic uncertainties.

The Department of Consumer Affairs Budget Office have identified that the current level of fees enacted by the 2018 legislation are not sufficient to cover the Board's current expenditures and does not address the gradual increase in future operational costs. The Budget Office projects that the Board will deplete its existing reserve fund by Fiscal Year 2022-23.

On August 21, 2020, the Board voted to initiate the regulations process to increase the Applicant, Licensee and Continuing Education Program Provider Fees by an amount of fifty-five dollars (\$55.00) with a twenty-five percent (25%) increase in other areas.

2021 School Fees Proposal

The substantial cost associated with the review, approval, and monitoring of vocational nursing (VN) and psychiatric technician (PT) education programs (programs) are not currently collected from the programs themselves but are instead funded by other fees such as license applicant and renewal fees. For the past five years, the Board has

advocated for the authority to charge VN and PT programs fees for the initial approval and ongoing regulatory oversight provided by the Board.

The Board previously approved a school program fee concept at its May 2021 meeting that reflected the workload to approve and monitor the school programs and the range of the amount of work needed to monitor small, medium, and large programs. This structure included a fee to programs on Provisional Approval reflecting the intensive workload the NECs provide to such programs.

If school program fees are authorized, a rough estimate of the increase to the Board's annual revenue stream would be as follows:

1. New Program Approvals: 20 new programs at \$25,000= \$500,000/year
2. Continuing Approval: \$2.6 million over 4 years = \$649,000/year
3. Provisional Approval: Estimating 10 programs @ 10,000/year= \$100,000/year

AB 1536 (Committee on Business and Professions)

Our Sunset legislation, AB 1536, as amended, authorizes the Board to assess some fees to the schools. The bill language is similar to the structure the Board discussed and approved at the May 2021 Board meeting but does not reach the full projected revenue in the Board's initial proposal.

Specifically, the proposed legislation would allow the Board to assess the following fees:

1. Initial Application Fee of \$5,000.
2. Approval Fee of \$15,000.
3. Annual Continued Approval Fee of \$5,000.

AB 1536 also directs the Board to pursue initial program approvals more expeditiously, with an eye toward reducing or even eliminating the wait list. Under the current bill, as amended, the Board would be authorized to make several critical changes in the approach and timeline of the existing school approval process.

This legislation will be heard in Senate Appropriations on August 23, 2021, moved immediately to suspense, and hopefully moved to the Senate Floor.

Continuing Structural Imbalance

Despite this potential revenue augmentation from school fees, the Board's fund is still unbalanced, and may face insolvency as early as January 2023. The Board would not begin to receive the new revenue authorized by AB 1536 until at least July 1, 2022, and the projected revenue will not close the gap. In addition, the Board will be required to request a budget increase for additional staff needed to implement AB 1536.

Recommendation

The Department of Consumer Affairs Budget Office advised the Board to commence rulemaking to implement the full extent of the provisions of Senate Bill 1480 to increase all license applicant, licensee, and CE provider fees to the full amounts authorized by statute, effective January 1, 2024. This increase should yield an added annual revenue

of approximately \$6 million. The Fund Condition Report projects an annual deficit of nearly \$4 million as early as Fiscal Year 2023-24 without these fee increases.

In order to fulfil its fiduciary responsibility, the Board should take action to authorize amending the current rulemaking to increase application, license renewal, and CE program provider fees to their full statutory limits. While this action is not the ideal long-range solution to the Board's fiscal imbalance, it is the only feasible short-range solution that would enable the Board to fulfil its fiduciary responsibility and continue its mission to protect the consumers.

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	Fee Name	Current Fee	Maximum Fee in Statute
	Vocational Nursing Fee Categories		
1	Application for Licensure by Examination - CA Vocational Nursing Program Graduate **Does not include exam fee** B&P § 2895 (a) (Method 1)	\$ 220.00	\$ 300.00
2	Application for Licensure by Examination - Equivalent Education/Experience **Does not include exam fee** B&P § 2895 (b) (Method 2 - 5)	\$ 250.00	\$ 330.00
3	Application for Licensure by Endorsement B&P § 2895(c)	\$ 220.00	\$ 300.00
4	Application for Re-Examination **Does not include exam fee** B&P § 2895 (e)	\$ 220.00	\$ 300.00
5	Biennial Renewal Fee (2 years) B&P § 2895(f)	\$ 220.00	\$ 300.00
6	Renewal Delinquent Fee B&P § 2895(g)	\$ 110.00	\$ 150.00
7	Initial License Fee B&P § 2895(h)	\$ 220.00	\$ 300.00
8	Interim Permit B&P § 2895(i)	\$ 20.00	\$ 50.00
9	Duplicate license or wall certificate B&P § 2895(j)	\$ 25.00	\$ 50.00
10	Verification of a California Licensee's license to another State Board B&P § 2895(k) ("Endorsement")	\$ 100.00	\$ 150.00
11	Intravenous (IV), Blood Withdrawal (BW), or (IV with BW) Certification B&P § 2895(l)	\$ 20.00	\$ 50.00
	Psychiatric Technician Fee Categories		
12	Application for Licensure by Examination - CA Psychiatric Tech Program Graduate **Includes exam fee** B&P § 4548(a)	\$ 265.00	\$ 345.00
13	Application for Licensure by Examination - Equivalent Education/Experience **Includes exam fee** B&P § 4548(b)	\$ 295.00	\$ 375.00
14	Application for Licensure by Endorsement B&P § 4548(c)	\$ 220.00	\$ 300.00
15	Application for Re-Examination **Includes exam fee** B&P § 4548(e)	\$ 265.00	\$ 345.00
16	Biennial Renewal Fee (2 years) B&P § 4548(f)	\$ 220.00	\$ 300.00
17	Renewal Delinquent Fee B&P § 4548(g)	\$ 110.00	\$ 150.00
18	Initial License Fee B&P § 4548(h)	\$ 220.00	\$ 300.00
19	Interim Permit B&P § 4548(i)	\$ 20.00	\$ 50.00

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20	Duplicate license or wall certificate B&P § 4548(j)	\$ 25.00	\$ 50.00
21	Verification of a California License to another State Board Section B&P § 4548(k) ("Endorsement")	\$ 20.00	\$ 50.00
22	Blood Withdrawal (BW) Certification Section B&P § 4548(l)	\$ 20.00	\$ 50.00
	Supplemental Certification Course Provider Fee Categories		
23	Continuing Education (CE) Course Provider (VN) B&P § 2892.6	\$ 150.00	\$ 250.00
24	Continuing Education (CE) Course Provider (PT) B&P § 4518	\$ 150.00	\$ 250.00
25	Biennial Renewal - CE Course Provider (VN) B&P § 2892.6	\$ 150.00	\$ 250.00
26	Biennial Renewal - CE Course Provider (PT) B&P § 4518.1	\$ 150.00	\$ 250.00
27	Blood Withdrawal (BW) Course Provider (PT) B&P § 4518.1	\$ 150.00	\$ 250.00
28	Biennial Renewal - BW Course Provider (PT) B&P § 4518.1	\$ 150.00	\$ 250.00
29	Blood Withdrawal (BW) Course Provider (VN) B&P § 2892.7	\$ 150.00	\$ 250.00
30	Biennial Renewal - Blood Withdrawal (BW) Course Provider (VN) B&P § 2892.7	\$ 150.00	\$ 250.00
31	Intravenous (IV) Course Provider (VN) B&P § 2892.7	\$ 150.00	\$ 250.00
32	Biennial Renewal - Intravenous (IV) Course Provider (VN) B&P § 2892.7	\$ 150.00	\$ 250.00
33	IV with Blood Withdrawal (IV with BW) Course Provider (VN) B&P § 2892.7	\$ 150.00	\$ 250.00
34	Biennial Renewal - IV with Blood Withdrawal (IV with BW) Course Provider (VN) B&P § 2892.7	\$ 150.00	\$ 250.00