



Executive Office

1625 N. Market Boulevard, Suite S-308, Sacramento, CA 95834
P (916) 574-8200 F (916) 574-8613 | www.dca.ca.gov



August 1, 2025

The Honorable Angelique V. Ashby, Chair
Senate Business, Professions, and Economic Development Committee
1021 O Street, Room 3320
Sacramento, CA 95814

The Honorable Marc Berman, Chair
Assembly Business and Professions Committee
1020 N Street, Room 379
Sacramento, CA 95814

Re: Annual Department of Consumer Affairs Distributed Costs Report

Dear Senator Ashby and Assembly Member Berman:

Business and Professions Code section 201 requires the Department of Consumer Affairs (Department) to submit a report to the Legislature by July 1 of each year on the accounting of its pro rata calculation of administrative expenses.

The Department's report includes the following attachments:

- An overview of the methodology used for allocating distributed costs.
- A summary of costs by each service area of the Department for each board and bureau for the upcoming 2025-26 fiscal year.

The Department charges pro rata to recover its costs for centralized administrative services provided to the boards and bureaus. The Department's 36 boards and bureaus are supported by a staff of legal, technical, and administrative professionals at the Department. These professionals provide legal, human resources, information technology, communications, investigations, professional examinations, training, strategic planning, fiscal management, and other integral support services. All the work the Department performs is to support the boards and bureaus. Most distributed costs are based on workload and approximately forty percent is distributed based on the authorized positions of the board or bureau. All savings achieved by the Department are returned to respective board and bureau special funds.

In the attached spreadsheet of costs, there is one board and one bureau that have higher than average department distributed costs at 30 percent or more of their annual budget. The following provides a brief explanation of the anomalies driving the costs.

- Medical Board of California: The Department has an entire unit within the Division of Investigation (Health Quality Investigation Unit) of sworn investigators

and support staff dedicated to providing this board with enforcement investigative services that account for over 80 percent of the costs this board pays the Department.

- Bureau of Security and Investigative Services: This bureau has a large licensee population (over 400,000) that contributes to larger shares of BreZE and Consumer Information Center costs.

Should you have any questions regarding this report, please contact Jennifer Simoes, Deputy Director for Legislative Affairs, at (916) 531-1096 or Jennifer.Simoes@dca.ca.gov.

Sincerely,



Kimberly Kirchmeyer
Director

cc:

The Honorable Christopher Cabaldon, Chair, Senate Budget Subcommittee No. 4
The Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5
Tomiquia Moss, Secretary, Business, Consumer Services and Housing Agency
Justin Adelman, Assistant Program Budget Manager, Department of Finance
Heather Gonzalez, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
Department of Consumer Affairs Executive Officers and Bureau Chiefs

Attachments:

Distributed Cost Methodology for Fiscal Year 2025-26
2025-26 Department of Consumer Affairs Distributed Costs Spreadsheet

**DEPARTMENT OF CONSUMER AFFAIRS
DISTRIBUTED COST METHODOLOGY FOR FISCAL YEAR 2025-26**

This document provides a general overview of the allocation methodologies the Department uses to distribute centralized expenses to its Boards and Bureaus along with descriptions and examples of the calculations used for each methodology.

CONSUMER AND CLIENT SERVICES DIVISION (CCSD)

1. ADMINISTRATIVE and INFORMATION SERVICES DIVISION (AISD):

- *AISD LESS OFFICE OF INFORMATION SERVICES* (consists of the Executive Office, Equal Employment Opportunity Office, Internal Audits, Legal Affairs, Legislative Affairs, SOLID Training and Planning Solutions, Organizational Improvement Office and the Office of Administrative Services [which consists of Fiscal Operations, Business Services Office, and Office of Human Resources]): Costs distributed to all *boards/bureaus/programs* based on *authorized position count*.
- *OFFICE OF INFORMATION SERVICES (OIS)*: Costs distributed based on service center usage. Cost centers include Applicant Tracking System (ATS) and Consumer Affairs System (CAS), BreEZe, CONNECT, telecom, PC support, local area network and wide area network (LAN/WAN), and web services among others.
- *OFFICE OF PROFESSIONAL EXAMINATION SERVICES (OPES)*: Most Services are direct costs based on individual intra-agency agreements with boards and bureaus. Approximately 25 percent of OPES budget is distributed based on authorized position count to programs required to report pursuant to [Business and Professions Code section 139](#).

2. COMMUNICATIONS DIVISION:

- *PUBLIC AFFAIRS*: Costs distributed based on authorized position count.
- *PUBLICATIONS, DESIGN AND EDITING*: Costs distributed to all boards/bureaus/programs based on authorized position count.
- *DIGITAL PRINT SERVICES*: Staffing costs distributed based on authorized position count. Costs of printing and materials are direct costs based on service request.
- *CONSUMER INFORMATION CENTER (CIC)*: Costs distributed based on client's past year workload. Non-jurisdictional correspondence and call costs are distributed to all boards/bureaus/programs based on authorized position count.

DIVISION OF INVESTIGATION (DOI)

- *SPECIAL OPERATIONS UNIT*: Costs distributed to all boards/bureaus/programs based on authorized position count.
- *HEALTH QUALITY INVESTIGATION UNIT (HQIU)*: Costs distributed fully to the Medical Board of California. Costs incurred by Allied Health Programs are based on an hourly rate and invoiced directly with reimbursement going to the Medical Board of California.
- *INVESTIGATION and ENFORCEMENT UNIT*: Costs distributed based on a two-year roll-forward methodology. This methodology uses a client's actual workload/costs from the prior year to build the client's budget in budget year, estimated to cover the client's budget year workload. This amount is modified with any credit or debit resulting from the client's prior year actual costs compared to their budgeted costs.

**DEPARTMENT OF CONSUMER AFFAIRS
DISTRIBUTED COST CALCULATIONS FOR FISCAL YEAR 2025-26**

AUTHORIZED POSITION COUNT

Used to distribute the budget for the Department's administrative units where costs benefit more than one Board or Bureau, and a specific workload metric is not available.
(Examples: Fiscal Operations, Human Resources, etc.)

$$\text{Distributed Cost Rate (\%)} = \frac{\text{Program Authorized Positions}}{\text{Total of All Programs Authorized Positions}}$$

Example:

$$\text{Program A Cost Rate} = 10\% = \frac{100.0 \text{ Authorized Positions (Program A)}}{1,000.0 \text{ Authorized Positions (All Programs)}}$$

PAST YEAR WORKLOAD

Used to distribute the budget for the Department's units where costs benefit more than one Board or Bureau, and workload is primarily based on a specific workload metric.
(Example: Consumer Information Center)

$$\text{Distributed Cost Rate (\%)} = \frac{\text{Program Specific Call Volume}}{\text{Total of All Programs Call Volume}}$$

Example:

$$\text{Program A Cost Rate} = 20\% = \frac{20,000 \text{ Calls (Program A)}}{100,000 \text{ Calls (All Programs)}}$$

SERVICE CENTER USAGE

Used to distribute the budget for the Department's units where costs benefit more than one Board or Bureau, and costs are based on specific device or record count.
(Example: Office of Information Services)

$$\text{Distributed Cost Rate (\%)} = \frac{\text{Program Specific Widget}}{\text{Total of All Programs Widgets}}$$

Example:

$$\text{Program A Cost Rate} = 15\% = \frac{150 \text{ Workstations (Program A)}}{1,000 \text{ Total Workstations (All Programs)}}$$

DIRECT COST

Used to distribute the budget for the Department's units where costs benefit only one Board or Bureau. (Example: Health Quality Investigation Unit)

TWO-YEAR ROLL-FORWARD

Used to distribute the budget for the Department's units where costs benefit more than one Board or Bureau, and workload is primarily based on a specific workload metric. Uses the ratio of past year workload to create a budget year estimate and modifies that amount with a true-up based on actual costs compared to the budget year estimate from two years ago.
(Example: Investigation and Enforcement Unit)

$$\text{Budget Year Estimate (\%)} = \frac{\text{Program Specific Widget}}{\text{Total of All Programs Widgets}}$$

Past Year Actual	-	Past Year Estimate	=	Roll-Forward (Credit/Debit)	+	Budget Year Estimate	=	Allocated Cost
---------------------	---	-----------------------	---	--------------------------------	---	-------------------------	---	----------------

Example:

$$\text{Program A Budget Year Estimate} = 20\% = \frac{8,000 \text{ Case Hours (Program A)}}{40,000 \text{ Case Hours (All Programs)}}$$

\$1,000,000	-	\$800,000	=	\$200,000 (Debit)	+	\$1,000,000	=	\$1,200,000
-------------	---	-----------	---	----------------------	---	-------------	---	-------------

Department of Consumer Affairs Distributed Costs
2025 Budget Act

Attachment B

		Consumer and Client Services Division					Division of Investigation						
		Administrative & Information Services Division				Communications Division							
		AISD Less OIS	OIS (less BreEZe)	OIS (BreEZe)	OIS (Biz Mod)	Public Affairs	Publications Design & Editing	Consumer Information Center	Special Operations Unit	Health Quality Investigation Unit	Investigation & Enforcement Unit	TOTAL	Percent of Budget
Board / Bureau Name	2024-25 Authorized Positions												
Accountancy	104.8	2,100,000	682,000	-	-	55,000	78,000	478,000	61,000			3,454,000	17%
Board of Architectural Examiners	24.9	490,000	315,000	-	208,000	12,000	18,000	13,000	13,000		16,000	1,085,000	22%
Landscape Arch Committee	5.5	110,000	72,000	-	53,000	3,000	3,000	3,000	3,000			247,000	20%
Athletic Commission	10.2	203,000	115,000	-	-	5,000	7,000	5,000	6,000			341,000	17%
Boxer's Pension	0.5	9,000	10,000	-	-	-	-	-	-			19,000	15%
Board of Behavioral Sciences	65.5	1,308,000	779,000	446,000	-	35,000	50,000	259,000	37,000		154,000	3,068,000	21%
Chiropractic Examiners	19.4	382,000	258,000	-	145,000	10,000	14,000	10,000	10,000		468,000	1,297,000	23%
Barbering & Cosmetology	96.2	1,892,000	1,277,000	1,922,000	-	49,000	70,000	895,000	55,000		390,000	6,550,000	29%
Contractors State License Bd	427.6	7,226,000	1,523,000	-	-	187,000	265,000	201,000	212,000			9,614,000	11%
Dental Board of CA	88.8	1,746,000	949,000	391,000	-	46,000	65,000	56,000	51,000			3,304,000	16%
Dental Hygiene Board	15.0	296,000	176,000	67,000	-	8,000	11,000	8,000	8,000			574,000	19%
Medical Board of California ¹	199.6	3,926,000	1,314,000	646,000	-	103,000	143,000	107,000	113,000	26,925,000	14,000	33,291,000	40%
Acupuncture Board	12.0	238,000	151,000	-	144,000	6,000	9,000	7,000	6,000		137,000	698,000	18%
Physical Therapy Board	29.4	578,000	346,000	139,000	-	14,000	21,000	19,000	16,000		969,000	2,102,000	29%
Physician Assistant Board	11.0	220,000	122,000	64,000	-	6,000	8,000	7,000	6,000			433,000	14%
Board of Podiatric Medicine	5.2	103,000	60,000	9,000	-	3,000	4,000	3,000	3,000			185,000	11%
Board of Psychology	27.3	536,000	322,000	79,000	-	13,000	18,000	16,000	15,000		1,359,000	2,358,000	29%
Respiratory Care Board	17.4	341,000	195,000	75,000	-	9,000	12,000	10,000	9,000			651,000	15%
Speech-Language P.A./ Hearing Aid	14.6	297,000	229,000	-	-	7,000	10,000	10,000	7,000		92,000	652,000	21%
Occupational Therapy	17.7	347,000	206,000	75,000	-	9,000	12,000	11,000	9,000			669,000	20%
Board of Optometry	17.4	342,000	204,000	64,000	-	9,000	12,000	10,000	9,000		309,000	959,000	23%
Osteopathic Medical Board	15.9	422,000	188,000	54,000	-	8,000	12,000	10,000	8,000			702,000	16%
Board of Naturopathic Medicine	3.0	60,000	34,000	4,000	-	2,000	2,000	2,000	2,000			106,000	16%
Board of Pharmacy	135.6	2,727,000	1,565,000	-	-	72,000	99,000	73,000	80,000		6,000	4,622,000	13%
Board of Pharmacy - Sharps	2.0	-	-	-	-	-	-	-	-			-	0%
Board for Prof. Engineers, Land Surveyors & Geologists	47.2	890,000	659,000	-	145,000	24,000	33,000	25,000	26,000		502,000	2,304,000	17%
Board of Registered Nursing	229.8	4,547,000	2,460,000	2,355,000	-	121,000	172,000	174,000	133,000		7,633,000	17,595,000	27%
Court Reporters Board	4.5	90,000	70,000	-	-	2,000	3,000	3,000	3,000			171,000	13%
Structural Pest- Support	30.9	587,000	395,000	-	259,000	14,000	20,000	17,000	16,000			1,308,000	20%
Veterinary Medical Board	38.3	753,000	435,000	123,000	-	20,000	28,000	29,000	21,000		799,000	2,208,000	24%
Vocational Nursing & Psychiatric Technicians	73.4	1,445,000	775,000	426,000	-	40,000	53,000	55,000	42,000		2,118,000	4,954,000	26%
Arbitration Certification Program	8.0	154,000	88,000	-	-	4,000	6,000	8,000	5,000			265,000	16%
Private Security Services ²	77.9	1,532,000	1,178,000	1,877,000	-	41,000	57,000	1,626,000	46,000		39,000	6,396,000	32%
Private Postsecondary	111.0	2,001,000	1,384,000	-	144,000	54,000	75,000	54,000	59,000			3,771,000	22%
Household Goods and Services	68.9	1,314,000	843,000	-	260,000	36,000	51,000	43,000	37,000			2,584,000	19%
Automotive Repair (VIRF)	543.8	10,577,000	6,071,000	-	-	282,000	397,000	886,000	314,000			18,527,000	14%
Automotive Repair (HPRRA)	57.6	1,099,000	635,000	-	-	32,000	42,000	30,000	33,000			1,871,000	19%
Automotive Repair (EFM)	9.0	171,000	98,000	-	-	5,000	6,000	5,000	5,000			290,000	25%
Cemetery & Funeral	28.5	560,000	346,000	-	259,000	14,000	19,000	22,000	15,000			1,235,000	18%
Bureau of Real Estate Appraisers	28.8	546,000	157,000	-	-	14,000	18,000	14,000	15,000			764,000	12%
Professional Fiduciaries Bureau	4.5	87,000	63,000	-	-	2,000	3,000	25,000	3,000	-	-	183,000	16%
TOTAL, 1111	2,728.6	52,252,000	26,749,000	8,816,000	1,617,000	1,376,000	1,926,000	5,229,000	1,512,000	26,925,000	15,005,000	141,407,000	21%
Distributed Cost TOTAL	2,728.6	52,252,000	26,749,000	8,816,000	1,617,000	1,376,000	1,926,000	5,229,000	1,512,000	26,925,000	15,005,000	141,407,000	21%
Reimbursements		305,000	1,320,000	-	-	56,000	-	-	-	-	-	1,681,000	-
Direct Distributed (Ofc of Professional Examination Services)		1,593,000	-	-	-	-	-	-	-	-	-	1,593,000	-
Total Budget		54,150,000	28,069,000	8,816,000	1,617,000	1,432,000	1,926,000	5,229,000	1,512,000	26,925,000	15,005,000	144,681,000	21%

¹ The Medical Board of California funds the Department's Health Quality Investigation Unit, a unit of sworn investigators and support staff dedicated to providing the board with enforcement services that account for over 80% of the cost the board pays the Department

² The Bureau of Security and Investigative Services has a large licensee population that contributes to larger shares of BreEZe and Consumer Information Center costs