



Item: Fiscal Report

Item Summary: The Board's Fiscal Report is submitted for the Board's review.

- Board Action:**
1. President calls the agenda item and it is presented by or as directed by the President.
 2. For information purposes only. Discussion may ensue.

Attached is a report of the Board's revenues and expenditures with actual figures from FY 2015/16 through FY 16/17 and projected amounts for FY 2017/18. Actual expenditures through 9/30/17 were not available to the Board at the time of this mailing. The Department of Consumer Affairs, along with other state agencies, changed accounting platforms in July 2017. With the new platform "Fi\$Cal," account reconciliation must be completed prior to reports being available.

Also included in the attached report is the Board's fund condition with actual figures for FY 16/17 and Board-projected figures from FY 17/18 through FY 21/22. You will note, Board staff have included revenue projections from the pending regulation package that will provide step increases to the renewal fee by \$25 effective 7/1/18 (to \$275); \$25 effective 7/1/19 (to \$300), and \$30 effective 7/1/20 (to \$330).

Provided the regulation package is approved for implementation by 7/1/18, the Board's fund structure will be realigned to balance revenues with expenditures by FY 20/21. Regulation packages currently undergo extensive review by several units at the Department of Consumer Affairs (DCA), the Business, Consumer Services and Housing Agency (Agency), the Department of Finance (DOF), the Office of Administrative Law (OAL) and the Board itself. Following is a timeline of the regulation approval, as processed by DCA's regulations coordinator, to date:

- | | |
|---------|--|
| 7/11/17 | Board staff submitted the package to the DCA |
| 7/18/17 | DCA Board Legal Counsel approved |
| 9/13/17 | DCA Budget Office approved |
| 9/13/17 | Forwarded to Deputy Director Chief Counsel (approved 9/15/17) |
| 9/20/17 | Deputy Director of the Legislative and Regulatory Review Unit approved |
| 9/26/17 | DCA Director approved; Package forwarded to Agency |

Following are expected dates to complete the process:

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|----------|--|
| 10/31/17 | Package expected to be filed with the OAL |
| 11/10/17 | Expected date for OAL to publish providing public notice (Board staff also notify interested parties) |
| 12/27/17 | Expected date of hearing |
| 1/9/18 | Board staff to begin working with OIS for BreEZe implementation. |
| 2/2/18 | Expected date to present regulatory package to Board for final approval |
| 2/5/18 | Expected date to resubmit to DCA and Agency to reapprove the package (same process as above) |
| 4/18/18 | Regulation package must be filed with OAL by this date for a 7/1/18 effective date. OAL and the DOF have 45 days to approve or reject the package. |

FISCAL REPORT

Agenda Item: 3
Meeting Date: 10/13/17

REVENUE

Revenue Category	2015/16 Actual	2016/17 Actual	2017/18 Projected	Projected Workload 2017/18	Current Fees 2017/18
Application (CA)	\$380,147	\$356,723	\$360,000	1,200	\$300
Application (Foreign)					
Application (O-O-S)					
Renewal	\$2,165,949	\$2,199,130	\$2,375,000	9,500	\$250
Delinquent Fees	\$85,630	\$80,490	\$96,250	375/5	\$250
Endorsement	\$13,125	\$14,500	\$13,750	550	\$25
Duplicate License	\$3,475	\$4,000	\$3,750	150	\$25
Cite and Fine	\$38,176	\$42,248	\$40,000	var	var
Miscellaneous	\$23,996	\$27,854	\$30,000	var	var
Total Revenue	\$2,710,498	\$2,724,945	\$2,918,750		

EXPENDITURES

Expenditure Items	2015/16 Actual	2016/17 Actual	2017/18 Projected	Actual Exp. thru 09/30/17	Budgeted 2017/18	
Salary & Benefits	\$1,612,713	\$1,693,107	\$1,700,000	NOT AVAILABLE	\$1,628,000	
Training	\$275	\$1,446	\$2,000		\$12,000	
Travel	\$29,906	\$42,533	\$45,000		\$42,000	
Printing	\$51,155	\$17,794	\$20,000		\$28,000	
Postage	\$28,603	\$20,974	\$25,000		\$41,000	
Equipment	\$2,320	\$1,651	\$20,000		\$0	
ProRata ¹	\$783,481	\$625,812	\$677,000		\$677,000	
Fingerprints	\$7,695	\$6,419	\$7,000		\$55,000	
All Other Fixed Expenses ²	\$387,013	\$247,435	\$216,000		\$559,000	
Division of Investigation	\$78,674	\$7,473	\$0		\$0	
Attorney General	\$428,872	\$454,649	\$462,000		\$462,000	
Office of Admin Hearings	\$90,463	\$61,809	\$75,000		\$137,000	
Court Reporter Services	\$12,475	\$2,410	\$10,000		\$0	
Evidence and Witness	\$37,904	\$34,450	\$35,000		\$32,000	
Total Expenditures	\$3,551,549	\$3,217,962	\$3,294,000		\$0	\$3,673,000

¹ ProRata includes ONLY departmenta services. ‡ Statewid

² All Other Fixed Expenses include general expenses, communications, facility operations, data processing maintenance, consultant and professional services, examinations and Teale Data Center.

FUND CONDITION

	Actual 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Beginning Reserve, July 1	\$1,802	\$1,278	\$797	\$516	\$408	\$462
Prior Year Adjustments						
Fee Increase \$25 eff. 7/1/18			\$247	\$247	\$247	\$247
Fee Increase \$25 eff. 7/1/19				\$247	\$247	\$247
Fee Increase \$30 eff. 7/1/20					\$287	\$287
Revenues	\$2,725	\$2,919	\$2,919	\$2,919	\$2,919	\$2,919
Total Revenues			\$3,166	\$3,413	\$3,700	\$3,700
TOTAL RESOURCES	\$4,527	\$4,197	\$3,963	\$3,929	\$4,108	\$4,162
Budget Expenditure	\$3,218	\$3,294	\$3,341	\$3,415	\$3,540	\$3,592
Statewide ProRata	\$178	\$242	\$242	\$242	\$242	\$242
Disbursements (SCO)	\$4	\$4	\$4	\$4	\$4	\$4
Reimbursements	(\$151)	(\$140)	(\$140)	(\$140)	(\$140)	(\$140)
TOTAL EXPENDITURES	\$3,249	\$3,400	\$3,447	\$3,521	\$3,646	\$3,698
RESERVE, JUNE 30	\$1,278	\$797	\$516	\$408	\$462	\$464
MONTHS IN RESERVE	4.5	2.8	1.8	1.3	1.5	1.5