



Executive Office

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June 30, 2026

The Honorable Aisha Wahab, 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 Wahab 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 2026-27 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 are three boards and one bureau that have higher than average distributed costs at 30 percent or more of their annual budget. The following provides a brief explanation of the anomalies driving the costs.

- Board of Barbering and Cosmetology: This board has a large licensee population (over 500,000) that contributes to a larger share of BreZE and Consumer Information Center 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.
- Board of Vocational Nursing and Psychiatric Technicians: This Board has a high number of cases referred to the Department's Division of Investigation and the costs of conducting those investigations account for over half 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 a larger share 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,


Christine J. Lally
Acting Director

cc:

The Honorable Melissa Hurtado, 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
Jay Kapoor, 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 2026-27
2026-27 Department of Consumer Affairs Distributed Costs Spreadsheet

**DEPARTMENT OF CONSUMER AFFAIRS
DISTRIBUTED COST METHODOLOGY FOR FISCAL YEAR 2026-27**

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 past year actual costs compared to their past year estimated costs.

**DEPARTMENT OF CONSUMER AFFAIRS
DISTRIBUTED COST CALCULATIONS FOR FISCAL YEAR 2026-27**

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
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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
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**Department of Consumer Affairs Distributed Costs
2026 Budget Act**

Board / Bureau Name	2026-27 Authorized Positions	Consumer and Client Services Division						Division of Investigation				TOTAL	Percent of Budget
		Administrative & Information Services Division				Communications Division		Special Operations Unit	Health Quality Investigation Unit	Investigation & Enforcement Unit			
		AISD Less OIS	OIS (less BreEZe)	OIS (BreEZe)	OIS (Biz Mod)	Public Affairs	Publications Design & Editing				Consumer Information Center		
Accountancy	103.8	2,017,000	682,000	-	-	55,000	78,000	39,000	65,000			2,936,000	15%
Board of Architectural Examiners	23.9	463,000	323,000	-	208,000	12,000	17,000	12,000	14,000		66,000	1,115,000	23%
Landscape Arch Committee	4.5	86,000	62,000	-	53,000	2,000	3,000	3,000	3,000		15,000	227,000	19%
Athletic Commission	10.2	196,000	118,000	-	-	5,000	7,000	5,000	7,000			338,000	16%
Board of Behavioral Sciences	66.5	1,291,000	822,000	462,000	-	35,000	49,000	301,000	41,000		104,000	3,105,000	21%
Chiropractic Examiners	18.4	356,000	264,000	-	145,000	9,000	13,000	10,000	11,000			962,000	19%
Barbering & Cosmetology ¹	93.2	1,808,000	1,323,000	1,882,000	-	50,000	69,000	929,000	59,000		484,000	6,604,000	30%
Contractors State License Bd	426.1	7,344,000	1,695,000	-	-	204,000	281,000	204,000	234,000		10,000	9,972,000	12%
Dental Board of CA	86.8	1,684,000	971,000	388,000	-	47,000	64,000	95,000	54,000			3,303,000	16%
Dental Hygiene Board	14.0	270,000	171,000	67,000	-	7,000	10,000	12,000	9,000			546,000	19%
Medical Board of California ²	194.6	3,774,000	1,241,000	634,000	-	106,000	146,000	110,000	121,000	29,361,000		35,493,000	42%
Acupuncture Board	12.0	232,000	162,000	-	144,000	6,000	9,000	6,000	8,000		266,000	833,000	21%
Physical Therapy Board	29.4	573,000	342,000	140,000	-	16,000	23,000	27,000	19,000		1,041,000	2,181,000	29%
Physician Assistant Board	12.0	229,000	124,000	67,000	-	6,000	9,000	14,000	8,000			457,000	11%
Board of Podiatric Medicine	5.2	101,000	61,000	9,000	-	3,000	4,000	6,000	3,000			187,000	11%
Board of Psychology	26.3	511,000	320,000	79,000	-	14,000	19,000	27,000	16,000		1,204,000	2,190,000	28%
Respiratory Care Board	16.4	317,000	189,000	74,000	-	8,000	12,000	16,000	10,000			626,000	15%
Speech-Language P.A./ Hearing Aid	14.6	271,000	241,000	-	-	8,000	10,000	8,000	9,000		47,000	594,000	19%
Occupational Therapy	16.7	323,000	201,000	75,000	-	9,000	12,000	24,000	10,000			654,000	20%
Board of Optometry	16.0	310,000	199,000	64,000	-	8,000	12,000	16,000	10,000		190,000	809,000	21%
Osteopathic Medical Board	15.9	308,000	188,000	57,000	-	8,000	11,000	17,000	10,000			599,000	13%
Board of Naturopathic Medicine	3.0	56,000	37,000	4,000	-	2,000	2,000	8,000	2,000		28,000	139,000	20%
Board of Pharmacy	136.7	2,630,000	1,732,000	-	-	75,000	104,000	71,000	86,000			4,698,000	12%
Board of Pharmacy - Sharps	1.0	1,000	-	-	-	-	-	-	-			1,000	0%
Board for Prof. Engineers, Land Surveyors & Geologists	45.2	876,000	656,000	-	145,000	25,000	35,000	24,000	29,000		462,000	2,252,000	17%
Board of Registered Nursing	219.8	4,246,000	2,376,000	2,412,000	-	120,000	166,000	331,000	139,000		7,941,000	17,731,000	27%
Court Reporters Board	4.5	88,000	64,000	-	-	2,000	3,000	3,000	3,000			163,000	12%
Structural Pest- Support	29.9	581,000	404,000	-	259,000	16,000	24,000	15,000	19,000			1,318,000	20%
Veterinary Medical Board	37.3	724,000	441,000	125,000	-	21,000	29,000	40,000	23,000		467,000	1,870,000	21%
Vocational Nursing & Psychiatric Technicians ³	70.9	1,374,000	785,000	424,000	-	37,000	52,000	106,000	47,000		3,648,000	6,473,000	32%
Arbitration Certification Program	7.0	132,000	85,000	-	-	4,000	5,000	5,000	4,000			235,000	16%
Private Security Services ⁴	73.9	1,432,000	1,211,000	1,853,000	-	39,000	54,000	1,620,000	47,000		138,000	6,394,000	33%
Private Postsecondary - Support	91.0	1,965,000	1,220,000	-	144,000	56,000	79,000	53,000	65,000			3,582,000	20%
Private Postsecondary - Student Tuition Recovery	14.0	279,000	-	-	-	7,000	10,000	9,000	9,000			314,000	3%
Household Goods and Services	64.9	1,216,000	828,000	-	260,000	34,000	48,000	35,000	40,000			2,461,000	19%
Automotive Repair (VIRF)	534.8	10,395,000	6,111,000	-	-	292,000	398,000	675,000	330,000			18,201,000	14%
Automotive Repair (HPRRA)	56.6	1,066,000	636,000	-	-	30,000	42,000	30,000	35,000			1,839,000	18%
Automotive Repair (EFM)	8.0	149,000	89,000	-	-	6,000	6,000	3,000	5,000			258,000	25%
Cemetery & Funeral	28.5	555,000	381,000	-	259,000	16,000	21,000	20,000	17,000			1,269,000	18%
Bureau of Real Estate Appraisers	27.8	539,000	154,000	-	-	15,000	21,000	14,000	17,000			760,000	11%
Professional Fiduciaries Bureau	4.0	76,000	50,000	-	-	2,000	3,000	20,000	2,000			153,000	15%
TOTAL, 1111	2,665.3	50,844,000	26,959,000	8,816,000	1,617,000	1,417,000	1,960,000	4,963,000	1,640,000	29,361,000	16,265,000	143,842,000	21%
Distributed Cost TOTAL	2,665.3	50,844,000	26,959,000	8,816,000	1,617,000	1,417,000	1,960,000	4,963,000	1,640,000	29,361,000	16,265,000	143,842,000	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		52,742,000	28,279,000	8,816,000	1,617,000	1,473,000	1,960,000	4,963,000	1,640,000	29,361,000	16,265,000	147,116,000	21%

¹ The Board of Barbering and Cosmetology has a large licensee population that contributes to larger shares of BreEZe and Consumer Information Center costs

² 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

³ The Board of Vocational Nursing and Psychiatric Technicians has a high number of cases referred to the Department's Division of Investigation and the costs of conducting those investigations account for over half of the costs this board pays the Department

⁴ The Bureau of Security and Investigative Services has a large licensee population that contributes to larger shares of BreEZe and Consumer Information Center costs