

0770 - Professional Engineers, Land Surveyors and Geologists  
 Financial Statement

Prepared 4/21/21

|   | FY 20-21<br>FM 9<br>4/28 Activity Log | FY 20-21<br>FM 1<br>Projections | FY 20-21<br>Updated<br>Projections | %<br>Change | \$<br>Difference |
|---|---------------------------------------|---------------------------------|------------------------------------|-------------|------------------|
| <b>Revenue</b>                          |                                       |                                 |                                    |             |                  |
| 1 Applications/Licensing Fees           | 903,821                               | 1,508,000                       | 1,226,542                          | -19%        | 281,458          |
| 2, 13 Renewal fees                      | 6,229,912                             | 7,849,000                       | 7,556,652                          | -4%         | 292,731          |
| 3 Delinquent fees                       | 90,357                                | 108,000                         | 112,573                            | 4%          | (4,573)          |
| Other & Reimbursements                  | 83,931                                | 127,000                         | 120,346                            | -5%         | 6,654            |
| 4 Interest                              | 22,783                                | 160,000                         | 35,416                             | -78%        | 124,584          |
| <b>Total Revenue:</b>                   | <b>7,330,804</b>                      | <b>9,752,000</b>                | <b>9,051,529</b>                   | <b>-7%</b>  | <b>700,471</b>   |
| <b>Expense</b>                          |                                       |                                 |                                    |             |                  |
| <b>Personnel Services:</b>              |                                       |                                 |                                    |             |                  |
| 5 Salary & Wages (Staff)                | 2,061,645                             | 2,698,000                       | 2,873,456                          | 7%          | (175,456)        |
| Temp Help                               | 81,106                                | 124,444                         | 120,484                            | -3%         | 3,960            |
| Statutory Exempt (EO)                   | 93,927                                | 122,463                         | 125,580                            | 3%          | (3,117)          |
| Board Member Per Diem                   | 3,600                                 | 10,000                          | 6,100                              | -39%        | 3,900            |
| Overtime/Flex Elect/Lump Sum            | 0                                     | 700                             | 200                                | -71%        | 500              |
| Staff Benefits                          | 1,239,291                             | 1,618,800                       | 1,624,073                          | 0%          | (5,273)          |
| <b>Total Personnel Services</b>         | <b>3,479,569</b>                      | <b>4,574,407</b>                | <b>4,749,893</b>                   | <b>4%</b>   | <b>(175,486)</b> |
| <b>Operating Expense and Equipment:</b> |                                       |                                 |                                    |             |                  |
| General Expense                         | 44,396                                | 80,000                          | 80,000                             | 0%          | 0                |
| 6 Printing                              | 44,218                                | 27,000                          | 45,000                             | 67%         | (18,000)         |
| Communication                           | 15,177                                | 25,000                          | 20,000                             | -20%        | 0                |
| Postage                                 | 25,058                                | 50,000                          | 27,000                             | -46%        | 23,000           |
| Insurance                               | 15,655                                | 150                             | 105                                | -30%        | 45               |
| Travel In State                         | 351                                   | 60,000                          | 500                                | -99%        | 59,500           |
| Travel, Out-of-State                    | 0                                     | 800                             | 0                                  | -100%       | 800              |
| Training                                | 0                                     | 250                             | 0                                  | -100%       | 0                |
| 7 Facilities Operations                 | 603,736                               | 360,000                         | 640,000                            | 78%         | (280,000)        |
| 8 C & P Services - Interdept.           | 560,111                               | 670,000                         | 645,000                            | -4%         | 0                |
| 9 C & P Services - External             | 2,136,545                             | 1,930,000                       | 2,330,000                          | 21%         | (400,000)        |
| 10 DCA Pro Rata                         | 1,278,750                             | 1,748,000                       | 1,748,000                          | 0%          | -                |
| DOI - Investigations                    | 0                                     | 0                               | 0                                  | 0%          | 0                |
| 11 Interagency Services                 | 10,593                                | 25,000                          | 25,000                             | 0%          | 0                |
| Consolidated Data Center                | 12,814                                | 22,000                          | 22,000                             | 0%          | 0                |
| Information Technology                  | 110,587                               | 32,000                          | 115,000                            | 259%        | (83,000)         |
| Equipment                               | 24,386                                | 143,000                         | 31,000                             | -78%        | 112,000          |
| 12 Other Items of Expense (ARF Deposit) | 0                                     | 300,000                         | 0                                  | -100%       | 0                |
| <b>Total OE&amp;E</b>                   | <b>4,882,377</b>                      | <b>5,473,200</b>                | <b>5,728,605</b>                   | <b>5%</b>   | <b>(255,405)</b> |
| <b>Total Expense:</b>                   | <b>8,361,946</b>                      | <b>10,047,607</b>               | <b>10,478,498</b>                  | <b>4%</b>   | <b>(430,891)</b> |
| <b>Total Revenue:</b>                   | 7,330,804                             | 9,752,000                       | 9,051,529                          |             |                  |
| <b>Total Expense:</b>                   | 8,361,946                             | 10,047,607                      | 10,478,498                         |             |                  |
| <b>Difference:</b>                      | (1,031,142)                           | (295,607)                       | (1,426,969)                        |             |                  |

## Financial Statement Notes

- 1 Applications/Licensing Fees** - The total amount collected for Applications and Licensing Fees is \$903,821 according to the April 28, 2021 Activity Log.
- 2 Renewal fees** - Renewal fees are not collected equally throughout the year. On average, the Board collects 75% of its renewal fees revenue in the first half of the fiscal year.
- 3 Delinquent fees** - Approximately 90% of delinquent fee revenue is collected in the second half of the fiscal year.
- 4 Interest** - Includes income from surplus money investments earned on money in the Board's fund. The state treasury manages this money and the Board earns income based on the current interest rate.
- 5 Salary & Wages (Staff)** - The projected expenditures for salaries and wages is due to the Board almost being fully staffed, additional merit salary adjustments, and new bargaining unit agreements. The Board has the following vacancies: 1.0 SSA/AGPA, and 1.0 OT.
- 6 Printing** - \$25,000 in contract encumbrances in QBIRT reports (EDD mailers such as Pamphlets, Leaflets, and Brochures). Board staff is working with DCA Budgets to identify contracts.
- 7 Facilities Operations** - Includes Facilities maintenance, Facilities operations, Janitorial Services, Rent and Leases, Exam Rental Sites, Security, COVID-19 Sanitation, and tenant improvements with DGS in a support planning role from the ARF Deposit.
- 8 C&P Services Interdepartmental** - Includes all contract services with other state agencies for examination services (Dept. of Conservation and Water Resources). This line item also now includes enforcement expenses for the Attorney General and the Office of Administrative Hearings.
- 9 C&P Services External** - Includes all external contracts (examination development, exam site rental, expert consultant agreements, and credit card processing). This line also includes our executed agreements for our business modernization project (system developer, project management, oversight, and software license subscription services).
- 10 DCA Pro Rata** - Includes distributed costs of programmatic and administrative services from DCA.
- 11 Interagency Services** - DCA Pro Rata shows up in this line throughout the year because of accountings inability to charge accruals for department distributed pro rata until the previous fiscal year closes.
- 12 Other Items of Expense (ARF Deposit)** - The Board has created an architectural revolving fund (ARF) to support tenant improvements throughout the office and the majority of costs will be new modular furniture procurement that has been moved over to Facilities Operations.
- 13 Renewal Fees - FY 20-21 FM1 Projections** - Renewal Fees for FM1 were created using a full Fiscal Year of fee increases with the anticipation of them beginning July 2020. Fee increases started in January 2021, therefore projections have been updated to reflect the old fees collected from July-December 2020 and the new fees collected from January-July 2021.

# 0770 - Professional Engineer's, Land Surveyor's and Geologist's Fund

## Analysis of Fund Condition

Prepared 5/25/2021

(Dollars in Thousands)

| Governor's Budget 2020-21   | PY<br>2019-20 | CY<br>2020-21 | Governor's              |                 |
|---|---------------|---------------|-------------------------|-----------------|
|   |               |               | Budget<br>BY<br>2021-22 | BY+1<br>2022-23 |
| <b>BEGINNING BALANCE</b>  | \$ 6,907      | \$ 4,509      | \$ 2,483                | \$ 2,227        |
| Prior Year Adjustment   | \$ 300        | \$ -          | \$ -                    | \$ -            |
| Adjusted Beginning Balance  | \$ 7,207      | \$ 4,509      | \$ 2,483                | \$ 2,227        |
| <b>REVENUES AND TRANSFERS</b>   |               |               |                         |                 |
| Revenues:   |               |               |                         |                 |
| 4121200 Delinquent fees   | \$ 70         | \$ 112        | \$ 116                  | \$ 117          |
| 4127400 Renewal fees  | \$ 6,833      | \$ 7,556      | \$ 10,376               | \$ 7,830        |
| 4129200 Other regulatory fees   | \$ 86         | \$ 120        | \$ 107                  | \$ 108          |
| 4129400 Other regulatory licenses and permits                                   | \$ 1,434      | \$ 1,226      | \$ 1,937                | \$ 1,956        |
| 4150500 Interest Income from interfund loans                                    | \$ -          | \$ -          | \$ -                    | \$ -            |
| 4163000 Income from surplus money investments                                   | \$ 126        | \$ 259        | \$ 259                  | \$ -            |
| 4171400 Escheat of unclaimed checks and warrants                                | \$ 22         | \$ 22         | \$ 22                   | \$ 22           |
| 4172500 Miscellaneous revenues  | \$ 1          | \$ 1          | \$ 1                    | \$ 1            |
| Totals, Revenues  | \$ 8,572      | \$ 9,296      | \$ 12,818               | \$ 10,035       |
| Transfers from Other Funds  |               |               |                         |                 |
| Revenue Transfer from Geology/General Fund                                      | \$ -          |               |                         |                 |
| FO0001 Proposed GF Loan Repayment per item<br>1110-011-0770, Budget Act of 2011 | \$ -          | \$ -          | \$ -                    | \$ -            |
| Totals, Revenues and Transfers  | \$ 8,572      | \$ 9,296      | \$ 12,818               | \$ 10,035       |
| Totals, Resources   | \$ 15,779     | \$ 13,805     | \$ 15,301               | \$ 12,262       |
| <b>EXPENDITURES</b>   |               |               |                         |                 |
| Disbursements:  |               |               |                         |                 |
| 1110 Program Expenditures (State Operations)                                    | \$ -          | \$ -          | \$ -                    | \$ -            |
| 1111 Department of Consumer Affairs (State Operations)                          | \$ 10,243     | \$ 10,478     | \$ 12,209               | \$ 12,575       |
| 8880 Financial Information System for CA (State Operations)                     | \$ -1         | \$ -          | \$ -                    | \$ -            |
| 9892 Supplemental Pension Payments (State Operations)                           | \$ 209        | \$ 209        | \$ 209                  | \$ 209          |
| 9900 Statewide Admin. (State Operations)  | \$ 819        | \$ 635        | \$ 656                  | \$ 656          |
| Less funding provided by General Fund (State Operations)                        | \$ -          | \$ -          | \$ -                    | \$ -            |
| Total Disbursements   | \$ 11,270     | \$ 11,322     | \$ 13,074               | \$ 13,440       |
| <b>FUND BALANCE</b>   |               |               |                         |                 |
| Reserve for economic uncertainties  | \$ 4,509      | \$ 2,483      | \$ 2,227                | \$ -1,179       |
| <b>Months in Reserve</b>  | 4.8           | 2.3           | 2.0                     | -1.0            |

## License Renewal Trends

