

DISCIPLINE COST ASSESSMENT FORMULA
 (Business and Professions Code Section 6086.10)

EXECUTIVE SUMMARY

COST FORMULA 1997

Case Type	Settlement Level						
	Default	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Original	\$ 1,158	\$ 777	\$ 919	\$ 1,536	\$ 1,957	\$ 4,617	\$ 5,698
Conviction	\$ 814		\$ 693	\$ 1,516	\$ 2,019	\$ 3,637	\$ 5,078
Prob Revoc		\$ 675					
Rule 955		\$ 727					

+Investigation \$ 199 for each investigation over one.

+Resignation \$ 23 for each resignation.

COST FORMULA 2002-03 UPDATED

Case Type	Settlement Level						
	Default	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Original	\$ 2,918	\$ 1,983	\$ 2,296	\$ 3,654	\$ 4,920	\$ 11,107	\$ 13,463
Conviction	\$ 1,987		\$ 1,636	\$ 3,530	\$ 4,569	\$ 8,479	\$ 12,398
Prob Revoc		\$ 1,564					
Rule 955		\$ 1,641					

+Investigation \$ 619 for each investigation over one.

+Resignation \$ 89 for each resignation.
 (added to all other applicable costs)

+Consolidation cost equal to the minimum cost for the consolidated case type.

+OCTC Transcript Cost (BPC § 6086.10(b)(1))

+OCTC Taxable Cost (BPC § 6086.10(b)(2))

PERCENTAGE INCREASE

Case Type	Settlement Level						
	Default	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Original	65%	63%	65%	71%	65%	70%	72%
Conviction	68%		72%	74%	78%	74%	68%
Prob Revoc		75%					
Rule 955		78%					

+Investigation 46% for each investigation over one.

+Resignation 33% for each resignation.

COST FORMULA 2011 UPDATED

Case Type	Settlement Level						
	Default	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Original	\$ 4,060	\$ 2,797	\$ 3,269	\$ 5,182	\$ 6,779	\$ 15,287	\$ 18,700
Conviction	\$ 2,739		\$ 2,287	\$ 4,906	\$ 6,440	\$ 11,726	\$ 16,762
Prob Revoc		\$ 2,191					
Rule 955		\$ 2,325					

+Investigation \$ 892 for each investigation over one.

+Resignation \$ 125 for each resignation.
(added to all other applicable costs)

PERCENTAGE INCREASE

Case Type	Settlement Level						
	Default	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Original	39%	41%	42%	42%	38%	38%	39%
Conviction	38%		40%	39%	41%	38%	35%
Prob Revoc		40%					
Rule 955		42%					

+Investigation 44% for each investigation over one.

+Resignation 40% for each resignation.
(added to all other applicable costs)

METHOD FOR ANNUAL UPDATES

Method for Annual Updates

As illustrated above, the cost to administer the disciplinary actions taken against its members increase over time as the cost of labor and overhead expenses increase. The infrequent periodic update of this fee structure has resulted in significant increases after years of no increases. To minimize the sudden spikes, we recommend annual increased tied to indices published by the United States' Department of Labor - Bureau of Labor Statistics. During our review of the tasks being conducted and the costs related to such tasks, we have determined the calculated fees can be broken down into two components: 1) direct labor costs (which make up approximately 60% of the total fees) and 2) indirect overhead costs (which make up approximately 40% of the total fees). As such, we recommend the fees be adjusted annually (effective January 1 of each year), as follows:

Each Disciplinary Fee for the coming Year shall be calculated by multiplying the then-current Disciplinary Fee by one plus the sum of: 1) 60% of the annual percentage change in the Employment Cost Index (ECI; as detailed below) and 2) 40% of the annual percentage change in the Consumer Price Index (CPI; as detailed below).

Description	Employment Cost Index - Total Compensation	Consumer Price Index - All Urban Consumers
Series ID	CIU20100001000001	CUURA422SA0
Adjusted	Not seasonally adjusted	Not seasonally adjusted
Industry/Group	Management, professional, and related	San Francisco-Oakland-San Jose Metropolitan Area
Sector/Item	Private Industry	All Items
Base Period	1982-84=100	1982-84=100
Periodicity	Quarterly	Bi-monthly