

December 18, 2023

Melinda Grant, Undersecretary  
California Business, Consumer Services and Housing Agency  
500 Capitol Mall, Suite 1850  
Sacramento, CA 95814

Dear Undersecretary Melinda Grant,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the State Board of Optometry submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2023.

Should you have any questions please contact Gregory Pruden, Executive Officer, at (916) 574-7808, Gregory.Pruden@dca.ca.gov.

## **GOVERNANCE**

### **Mission and Strategic Plan**

**The mission of the Board is to protect the health and safety of California consumers through licensing, education, and regulation of optometry and opticianry. The Board accomplishes its mission through the following responsibilities:**

- Promulgating regulations governing Board procedures, examination for an optometric licensure, minimum standards of optometric and dispensing services offered and performed, statements of licensure and fictitious name permits, and the equipment in all registered locations.
- Investigating consumer complaints and criminal convictions, including but not limited to substance abuse, unprofessional conduct, incompetence, fraudulent action, and unlawful activity.
- Taking disciplinary action for violations of laws and regulations governing optometry and opticianry when warranted.
- Accrediting schools and colleges of optometry.
- Establishing educational and examination requirements to ensure the competence of candidates for licensure/registration.
- Setting and enforcing standards for continued competency of existing licensees.
- Communicating with licensees, registrants, and Californians to aid in the understanding of laws and regulations related to delivery of high-quality vision care in the state.

The Strategic Goals of the Board are:

1. **Licensing and Registration** – the Board provides applicants and licensees a method for obtaining and maintaining licensing and registration, business licenses, and certifications for optometry and opticianry.
2. **Examination** – the Board works to promote a fair, valid, and legally defensible exam

- process and licensing exam (California Law and Regulations Examination) to ensure that only qualified and competent individuals are licensed or registered to provide optometric or opticianry services in California.
3. **Law and Regulation** – The Board works to establish and maintain fair and just laws and regulations that provide for the protection of consumer health and safety and reflect current and emerging, efficient, and cost-effective practices.
  4. **Enforcement** – The Board protects the health and safety of consumers through the active enforcement of laws and regulations governing the safe practice of optometry and opticianry in California.
  5. **Outreach** – The Board proactively educates, informs, and engages consumers, licensees, students, and other stakeholders about the practices of optometry and opticianry and the laws and regulations which govern them.
  6. **Organizational Effectiveness** – The Board works to develop and maintain an efficient and effective team of professional and public leaders and staff with sufficient resources to improve the Board's provision of programs and services.

### **Control Environment**

Office guidelines were revised in 2022 and are read and signed by all staff and are updated as needed.

The Board is led by an Executive Officer (EO) and two Staff Services Manager I (SSM). One SSM 1 has responsibility over the Board's Licensing and Administration Units and the other SSM 1 has responsibility over the Enforcement Unit. Both managers' report directly to the EO. The EO reports to the Board members.

The Board has a reporting structure that includes the Department of Consumer Affairs (Department) and the Business, Consumer Services, and Housing Agency (Agency).

The Board has established a Board Member Handbook for conducting Board business. All units and all major functions have process and procedure manuals that are periodically reviewed and updated as needed.

All staff have regular and scheduled one-on-one meetings with their direct manager to review expectations and communicate concerns regarding performance. The EO meets weekly with the managers and monthly with each staff.

### **Information and Communication**

On a quarterly basis, staff communicates with the Board about operational, programmatic, and financial updates. These occur at regularly scheduled Board meetings. Every two months, the EO provides an "EO Update" to the Board.

Statistical reports, such as for licensing applications or enforcement complaints and cases, are prepared weekly and discussed monthly at team meetings. These statistical reports and other program update reports, such as budgetary documents, are used by staff and the Board for operational, programmatic, and financial decision making.

The Board utilizes BreZE for most of its reporting processes. Board management receives daily,

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weekly, and monthly reports to monitor progress and timeframes for all units. This data is communicated to Board members and data is also communicated within each unit so that staff are aware of workload priorities. All units within the Board have monthly staff meetings where workload and trends are discussed.

## **MONITORING**

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the State Board of Optometry monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Gregory Pruden, Executive Officer.

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Management reviews data to ensure that the data being reported is accurate. This analysis is done by reviewing data with staff including manual counts for cross-checking system generated data. The Board is constantly reviewing timeframes to determine if process improvement is available to improve workflow. Staff is also consulted on ways to improve efficiencies. All activities of the Board are monitored in statistical data form.

## **RISK ASSESSMENT PROCESS**

The following personnel were involved in the State Board of Optometry risk assessment process: executive management.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, and timing of potential event.

## **RISKS AND CONTROLS**

### **Risk: Fund Condition**

The Board has been operating with a structural imbalance, which is projected to result in insolvency if not addressed through fee increases. Many of the Board's fees have not been raised in more than a decade and combined with increasing operating costs outside of the Board's control have created the structural imbalance.

**Control: Request a Fee Increase and Conduct Increased Monitoring**

To address the structural imbalance the Board is taking the following actions:

- 1) **Increase regulatory fees to the maximum in statute.**
- 2) **Where it does not impact operations or the Board's mission, holding vacant positions open for salary savings.**
- 3) **Increase collaboration with the Department's Budget Office to forecast revenues and expenditures more accurately.**
- 4) **Seek a fee study to inform whether increasing fees in statute are necessary to cover actual operating costs.**

**Risk: Implementation of Legislation and Board-Approved Regulatory Packages**

The Board was without a dedicated policy analyst for most of the 2022 calendar year, which resulted in all progress toward completion of regulations stalling. As a result, the Board has not been successful in timely implementation of legislation and Board-approved regulatory packages. AB 896 (Chapter 121, Statutes of 2020) required the Board, by January 1, 2022, to adopt regulations establishing a registry for mobile optometric offices. The Board was not on track to implement this regulation and the implementation deadline was extended to January 1, 2023, via AB 1534 (Chapter 630, Statutes of 2021).

Additionally, AB 458 (Chapter 425, Statutes of 2019) created a home residence permit pursuant to regulations promulgated by the Board that would establish an application and fee, and a process for issuance and renewal of the permit. While there was no mandatory implementation date in the law, on May 21, 2021, the Board directed staff to initiate the rulemaking process.

The Board has also not fully implemented some aspects of the opticianry program, which it received from the Medical Board of California in 2016. There have never been disciplinary guidelines for this program and on August 14, 2020, the Board directed staff to initiate the rulemaking process, which has not occurred.

### **Control: Implement Legislation by Promulgating Regulations**

**To address the lack of implementation, the Board has taken the following actions:**

- 1. Hired and trained a new dedicated policy analyst, responsible for legislation and regulation policy review.**
- 2. Provided legislation and regulation training to the Administration and Licensing Manager and distributed Board-approved regulatory packages to other staff, including the Administration and Licensing Manager and Board EO and charged each with completing the regulations.**
- 3. Created a tracking system to analyze pending legislation.**

### **CONCLUSION**

The State Board of Optometry strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

**Gregory Pruden, Executive Officer**

CC: California Legislature [Senate, Assembly]  
California State Auditor  
California State Library  
California State Controller  
Director of California Department of Finance  
Secretary of California Government Operations Agency