STATE OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS

STATE AND CONSUMER SERVICES AGENCY • GOVERNOR EDMUND G. BROWN JR.
ACUPUNCTURE BOARD
444 N. 3rd Street, Suite 260, Sacramento, CA 95811
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NOTICE OF ACUPUNCTURE BOARD MEETING

August 25, 2011

Department of Consumer Affairs
1625 North Market Boulevard
Sacramento, CA 95834

Acupuncture Board Members

Robert Brewer, Chair, Public Member
Charles Kim, Vice Chair, Public Member
Nancy Carroll, L.Ac.
Frank He, L.Ac.
AnYork Lee, L.Ac.
Paul Weisman, Public Member
George Wedemeyer, Public Member

AGENDA

FULL BOARD MEETING - 8:30 a.m.

1. **Call to Order and Establishment of a Quorum**

2. **8:30 a.m. HEARING: Petition for Early Termination of Probation**
   Petitioner: Ching Hua Cheng (Case No. PETP-1A-2009-115)

3. **10:00 a.m. HEARING: Petition for Reinstatement of Surrendered License**
   Petitioner: Dong Hyun Chang (Case No. PRRL-1A-2011-93)

4. **11:30 a.m. HEARING: Petition for Reinstatement of Revoked License**
   Petitioner: Je Wan Whon (Case No. PRRL-1A-2011-117)

CLOSED SESSION

5. **Pursuant to Government Code Section 11126(c)(3) the board will convene in closed session to deliberate on the Petitions and take action on disciplinary matters.**

OPEN SESSION – Announcement Regarding Closed Session

6. **Approval of February 24, 2011 Meeting Minutes** – (Discussion/Action)

7. **Chair's Report**

8. **Executive Officer's Report**
   - Board Update
   - DCA Update
   - Budget Update

9. **Sunset Review -** (Discussion/Action)

10. **Enforcement Business** – (Discussion/Action)
    a. Enforcement Case Report

11. **Education Business** – (Discussion/Action)
    a. Golden State University (Approve/Not Approve)

12. **Examination Business –** (Discussion/Action)
    a. August 16, 2011 Examination
    b. Educators as Subject Matter Experts
    c. Discussion on Continuing Multi Language Exam

13. **Future Agenda Items**

14. **Public Comments**

15. **Adjournment**

Public Comment on items of discussion will be taken during each item. Time limitations will be determined by the Chairperson. Times are approximate and subject to change. Action may be taken on any item listed on the Agenda.

THIS AGENDA, AS WELL AS BOARD MEETING MINUTES, CAN BE FOUND ON THE ACUPUNCTURE BOARD'S WEBSITE AT
www.acupuncture.ca.gov

Please Note: Board meetings are open to the public and are held in barrier free facilities that are accessible to those with physical disabilities in accordance with the Americans with Disabilities Act (ADA). If you need additional reasonable accommodations, please make your request no later than five (5) business days before this meeting. Please direct any questions regarding this meeting to the Administrative Technician at (916) 445-3021; FAX (916) 445-3015.

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Draft

ACUPUNCTURE BOARD MEETING MINUTES

Bahia Resort Hotel, 998 West Mission Bay Drive, San Diego, CA 92109

FULL BOARD MEETING

February 24, 2011

Members Present
Robert Brewer, Public Member, Chair
Charles Kim, Public Member
Anyork Lee, L.Ac,
George Wedemeyer, Public Member
Paul Weisman, Public Member
Nancy Carroll, L.Ac.
Frank He, L.Ac

Staff Present
Janelle Wedge, Executive Officer
Spencer Walker, Staff Counsel
Kristine Brothers, Enforcement Coordinator
Benjamin Bodea, Education Coordinator
Benjamin Bodea, Administrative Technician

Guest List on File

1. Call to Order and Establishment of a Quorum
Quorum Established and meeting called to order at approximately 9:00 AM.

2. Examination Business
Chair Robert Brewer opened up the meeting to allow for testimony regarding the CALE in the Korean language. Legal counsel Spencer Walker recommended allowing testimony only during open session and the remainder will be handled in closed session pursuant to Government Code section 11126(c)(1).

James Kim of the Korean Asian Medicine and Acupuncture Association of the California shared that they feel sympathy for the Korean students who could not complete the examination. He stated that he experienced similar difficulties when he took the exam years ago and suggested that Korean translations be put in parentheses after the Chinese Characters regarding herbs. He is aware that his suggestion had been addressed. He looks forward to the Boards assessment of what occurred with this exam. Jung Won Yu, graduate of Dongguk, asked if there was a translator for the Korean test. He stated that 90% of the test questions were in Chinese. He asked if the Board reviewed the test before the final print. If so, was this intentional? An exam taker from South Baylo University, was shocked by the exam and asked that the Board apologize for what occurred in the exam. Member Charles Kim asked what she did when she saw the test. She said she talked to the proctor and she believes he talked to the Board and was told that the examinees were to leave the answers they couldn't read blank. Paul Weisman asked for background on what happened. Janelle Wedge responded that this would be discussed in closed session. Another student shared that they were shocked to hear that Board Members were not aware of what has occurred. Several students shared that the shock that most Korean test takers were undergoing was causing quite a commotion making it difficult to focus. Janelle Wedge stated that she has all the students' statements on file. Anthony Kim, South Baylo graduate, stated that he had difficulty reaching anyone at the Board to discuss this issue. Robert Brewer stated that he appreciates the involvement of the students in this matter and assured the public that the issue

will be discussed during closed session. A proper solution will be arrived at and the results will be announced as soon as possible.

3. HEARING: Petition for Reinstatement of Surrendered License
Petitioner: Yihan Fang (Case No. PRRL-1A-2010-197)
Board heard Petition

4. HEARING: Petition for Early Termination of Probation or Modification
Petitioner: Kweon Young Yoo (Case No. PETP-1A-2002-132)
Board heard Petition

5. CLOSED SESSION The board convened in closed session pursuant to Government Code Section 11126(c)(1) and (c)(3) to discuss/take action on examination administration, above hearings and disciplinary actions.

6. Announcement from Closed Session

Chair Brewer stated that regarding the issues with the Korean language test, the Board will be taking several steps. The Board will immediately be appointing an Examination Committee to look at these types of issues. The Board will also be working with the Office of Professional Exam Services to see how soon the test can be re-administered to the Korean test takers in the format you were trained to take. The Board will look into the possibility of offering the test before the August 2011 exam. Those that took the test will not be required to pay again. Chair Brewer announced that Charles Kim has been appointed to head the Examination Committee. Frank He will also be a part of the Committee. Spencer Walker noted that the Korean Exam was originally entirely set for closed session but the Board allowed the public to offer testimony.

7. Election of Officers.

Nancy Carroll nominated Robert Brewer for Chair and AnYork Lee nominated George Wedemeyer. Robert Brewer received four votes and was elected Board Chair. Frank He nominated AnYork Lee for Vice-Chair and Robert Brewer nominated Charles Kim. Charles Kim received four votes and was elected Vice-Chair. Member Weisman suggested that the Chair position alternate to other members to allow for more input on the Board.

8. Executive Officer's Report

Board Updates - Executive Officer Janelle Wedge reported that the Board has three vacant positions with both of the receptionist positions open. Due to the hiring freeze, these positions can only be filled by current Department of Consumer Affairs employees making the filling of these essential positions more of a challenge. The office has reworked the phone answering system so that all calls ring on all staff's phones in the hopes that this will allow the public greater access to the office until the positions are filled. Janelle reported that all staff, including Board members, will be required to complete a Sexual Harassment Prevention training. Janelle further reported that the Board's relocation to the new office is on schedule for August. The cost of the new office space will increase by $ 0.75 per square foot for a total of $2.25 a sq ft. Square footage is around 3,500. The new furniture will cost around $50,000.

DCA Updates - The Director of DCA has been holding conference calls for Board Chairs and Executive Officers on a monthly basis to keep the Boards apprised of Department issues.

Budget Updates - Governor Jerry Brown has cancelled the previous administrations proposal to sell and leaseback 11 state properties stating that this would cost the state and taxpayers more in the long run. The Governor proposed to borrow from special funds reserves to offset the supposed gains from the sell and leaseback proposal. $5 million will be borrowed from the Acupuncture Board to be paid back with interest by FY 2013-14.

Charles Kim stated that he had attempted to call and email the Board on several occasions with no response. As such he would like to raise the issue of office efficiency as an agenda item at the next meeting.

9. Director's Report

LaVonne Powell reported the Director's Report. She stated that although the hiring freeze is still in effect there may be more wiggle room in the months to come easing the situation. Director Stiger has been asked to stay on a while longer. There has been very few appointments made so far as the attention is focused on the Budget. Cell phones have been asked to be turned in. The Department is looking at initiating a new more formal process of using Expert Consultants without hindering the Enforcement and placing the power more within the Boards jurisdiction, actions cutting down time from four days to two. LaVonne thanked the Board for being responsive to this new process and that when the Board goes up for Sunset review the Board will be in very good shape. The BREEZE program is in the works but the Department is waiting for the final product before moving on with it. The Acupuncture Board is scheduled to move to the new system by 2012-13. Charles Kim asked if the Special Fund that the Governor is borrowing is a done deal. LaVonne Powell affirmed it. Charles Kim asked if they are likely to pay the Board back. LaVonne responded that they always have. Robert Brewer asked about the wiggle room for the hiring freeze. LaVonne responded that the budget has been the primary concern, excluding exemptions for the moment but that Core Functions are next in line and this would include Enforcement and Licensing.

10. Approval of November 18, 2010 Meeting Minutes

CHARLES KIM MOTIONED TO APPROVE THE NOVEMBER 18, 2010 MEETING MINUTES. PAUL WEISMAN SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED

11. Administrative update

a. Legislation

1. AB 72 (Eng) – Health Care Coverage – Requires Acupuncture to be covered by health insurance carriers.

AnYork Lee stated that this has come up before and it's crucial for the Acupuncture profession to receive insurance coverage such that it no longer is viewed as a secondary medical profession. Neil Miller asked the Board to support this bill and further asked how the new federal health coverage effect acupuncture coverage. CAMA urges the Board to support this bill as this will lead to greater access to consumers and that if California passes this it will be the second state in the nation to do so. Janelle Wedge noted that this is just in the beginning phase and subject to changes but will keep the Board apprised.

b. Regulations

1. Implementation of AB 2699 (Healing Arts: Licensure Exemption)

Spencer Walker discussed the proposed regulation allowing out of state health care providers to provide services at a free event to underprivileged populations. These regulations were developed by the Department to provide consistency. The Board will need to decide what educational/experience requirements along with out-of-state licensure. The Board will also need to consider the fee for the processing. The Medical Board has established that fee at $25.00. The Board will also have to set the parameters for denials. Robert Brewer asked what kind of events the Department is considering to inspire these regulations. Counsel Walker responded that he is uncertain although this is currently law and the department is asking that the Acupuncture Board finalize our requirements. Robert Brewer asked to have this agendized for the next Board meeting and for suggestions be sent to Executive Director Janelle Wedge. It was suggested that this provision could be used in terms of emergencies as in if an earthquake or fire. Bill Mosca presented SB 628 (Yee?) changes the licensing title from Licensed Acupuncturist to Practitioner of Traditional Chinese Medicine, allow for Doctor of Traditional Chinese Medicine after they have earned their Doctorate, change the Board's name to Board of Traditional Chinese Medicine, introduce a practitioner of Chinese Traumatology licensed under the Board, there would be a period in which senior Tui Na practitioners would be grandfathered in as Chinese Medicine Traumatologists after which it would be closed. Chair Brewer asked Bill Mosca to forward the information to Janelle Wedge.

12. Education Business

a. Update Pending School Applications

Several schools are still awaiting approval. The Board is still waiting on exemptions for out of State Travel to visit those schools.

b. School Site Report on Nine Star University

The Board reviewed the latest report. Chair Brewer asked the new Education Coordinator, Benjamin Bodea, if Nine Star University has met the Board's requirements. Benjamin Bodea affirmed that they had and that he and Janelle Wedge were very pleased with the changes they instituted. Member Kim asked to agendize a probationary term for new schools.

ANYORK LEE MOTIONED TO APPROVE NINE STAR UNIVERSITY. FRANK HE SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED

c. School Site Report on Golden State University

The Board reviewed the report and addendum submitted by Sunny Kim, School president and owner. Chair Brewer asked about any concerns. Benjamin Bodea noted that it is a small school with five students as well as three that are auditing the courses. The school's clinic currently does not have a sink in each treatment room. Member Weisman asked if there are any special provisions regarding the Master's Program. Janelle Wedge responded that the Board doesn't require that the school offer a Master's program only that they abide by our training requirements. AnYork Lee asked how many classes were currently being taught. Benjamin Bodea responded that Golden State University is currently offering six courses this semester. Sunny Kim, President, confirmed six courses. She noted that she's had twenty students over the last four years but since Golden State University does not have Acupuncture Board approval the students have had to transfer to an approved school to get their clinical training and prepare for the exam. AnYork asked how many instructors currently. Sunny Kim responded that there are six instructors and presented the schedule. Charles Kim asked if we reviewed their financial records. Benjamin Bodea responded that we have reviewed their financial records except for their 2010 returns which we received two days ago. He also noted that the income the school claimed from the clinic was a little concerning. Sunny Kim responded that the school has a low overhead and the clinic sees over twenty patients a week. She also noted that the Fire Department has always signed off on her water connections and that there is a restroom next to the treatment rooms. She can also expand her school within the building she currently occupies. Frank He asked how many students she would like her school to have. Sunny Kim responded that she prefers a small school to give a better to the students. The school is hoping to introduce a doctoral program as well. Member Lee noted that when schools start out small their financial status is usually in the clear but that when they start taking on more students they run into the required increasing overhead costs of the school expanding. Robert Brewer noted he supports small schools offering the quality of education that they can but there is concern of a school's financial viability in light of several schools closing due to finances. He would like to see a business plan for the school. Mike Kim, on the Schools Board, asked if there were any discrepancies in the education requirements. Janelle Wedge responded that the curriculum was within the Board's requirements. Robert Brewer asked to table the approval to review the financial information and come back to the next Board meeting for final review.

d. Dong-guk University, California

Janelle Wedge reported to the Board the continued efforts to resolve the transfer credit issue for students that had transferred to Dong-Guk University, California from not just Samra University but from other universities as well. Both representatives from the school and from the students experiencing this issue are present today. David Johnston, a transfer student from Samra Unviersity to Dong-Guk University, California, presented progress from the student perspective. David responded that this is a very emotional issue for all the students going through this. Details of the new curriculum was not given until last November, just prior to the last meeting. The administration has been heavy handed and hard headed. David stated that he has had constant meetings to insure that he is taking the right classes to finish his program and he has yet to receive confirmation on what he should be taking. Students are reluctant to speak up for fear of retaliation. The transfer agreement insured that certain teachers from Samra University came to Dong-Guk, California and now he feels that the University is restricting the numbers of courses they were to teach to two. David mentioned Yeiji (last name?) was a Samra dean that transferred to Dong-Guk that has been taken out of the picture once the administration changed. He continued saying that communication with the administration is incredibly fatiguing for the English students, although Mike Kim, the English Dean, speaks perfect English. The Board asked the other students to come up and give their testimony. Chair Brewer asked them to confirm and/or add

to David's report. There is concern that there are no students coming in and thus the early year students will not have the courses offered . Nathan (last name?) reported that the school removed him from the Clinic Director position without a meaningful reason. He noted that he was the Clinic Director at Samra prior to the Bankruptcy. When he was removed from the position he was offered the Director of the English program but did not stay in the position long when he saw he was not able to enact his powers in that position. Scott (last name) is a transfer student from Beijing University shared that his hours that were transferred in were far below the hours he actually took. He stated that the school was using credits as opposed to hours of education even though the credit system is different between China and the U.S. Chair Brewer asked if this was different than what the school initially offered. Scott affirmed. Shalon Akozer, Samra transfer-student, is attending on the GI Bill and when the administration came in they let go of their financial aid representative, the position remained vacant for over three weeks. Once the position was filled the individual did not know how to fill out the forms. It took the school three and a half months before they could find someone to do it and once they showed up it took them minutes to fill them out. Conner noted that he was the individual that drafted the letter of grievances. He shared that he has not been able to raise the president for meetings since the troubles have started. Hot water is not present in the clinic. There is no process for any grievances being addressed. Tuition rates were hiked up soon after the students were assured that they would stay the same. Chair Brewer thanked the students for their testimony and asked that the school administration representatives approach the Board.

Chair Brewer asked what the administration has done since the November Meeting to address the Board's Concerns. Mike Kim , English Director at Dong-Guk University, responded that there were many false statements made by the students. He stated that he is the individual who did all the transfer credit evaluations for all transfer students as well as any transfer students that came to DULA. According to the teach out agreement those students will follow Samra's requirements to graduate and all others are to follow DULA's. The first two to three weeks of his employment at DULA Mike Kim said that he worked on Transfer credit evaluations. He noted that with David Johnston's case DULA had 4 extra courses that Samra did not offer that DULA required namely pediatrics.

Chair Brewer asked about the reduction of the number of English classes offered by English instructors restricting the students access to classes. Mike Kim responded for the winter 2011 quarter the English program offered close to thirty classes with Samra offering less. The current spring quarter is offering close to forty courses in English. DULA implemented a new regulation with the winter quarter limiting all instructors to teach a maximum of four courses regardless of language. Member Weisman asked why the school has been inconsistent with the requirement criteria for the students. Mike Kim responded that some students were close to the teach-out qualifications which could lend to the confusion. There were discrepancies between Samara's and DULA's course requirements but no one lost any units in the transfer other than one case where a student took two courses at Samra that DULA offers as one, losing two units of the original five taken at Samra. Mike shared that he meets seven to eight students per day. Member Weisman stated that he wants to insure that the students know what is required of them to graduate.

Member Lee asked about the financial aid issues the students mentioned. Mike Kim responded that he does not have access to that information and would not be able to respond.

Chair Brewer asked what DULA is doing to bolster communication with the students and their feeling disenfranchised. Mike Kim responded that whether the students are from DULA or from Samra they are all his students. Member Kim asked how the school can maintain stability when the administration is appointed by the parent organization in Korea that is not familiar with California's standards. Mike responded that there are indeed cultural differences present and DULA is aware of that and works with that. Addressing the Chair's question he stated that he does not believe that there is a communication problem with the English program. TJ stated that there were Samra transfer students into each of the three language tracks at DULA. He noted that this morning he and Janelle Wedge agreed that DULA would use David Lee's transfer criteria for all of Samra's transfer students. Mike Kim noted that even with these criteria it does not change the students credits transferred. Member Weisman asked that the Board consider the idea of degree audits. Janelle Wedge stated that David Johnston isn't the only transfer student with transfer problem. Member He asked Mr. Johnston to speak to the issue. Student David Johnston stated that many students are afraid of coming forward. He shared that there are many changes between what was once accepted as transfer credit what ends up being accepted. The transfer evaluations are indeed negotiations. Chair He asked when the date of the graduation exam was picked. Mike Kim responded that it was chosen a long time ago. Member Wedemeyer stated that cooperation is required between both the students and the school as this issue has been going on far too long. David Johnston stated that the school needs to honor the agreement regarding the bringing of instructors from

Samra. Chair Brewer stated that DULA still has a way to go with honoring the agreement that DULA made with Samra even though this administration didn't enter into that agreement. This issue needs to be solved and the school needs address any financial responsibilities it may have to the students if there is need for redress. Education Coordinator Benjamin Bodea asked Mike Kim that he had stated that the date of the graduation exam at the beginning of the quarter. When was the beginning of the Quarter? Mike Kim responded that it was January third. Ben clarified that this was after the dates of the next Board meeting was set at the November meeting. Member He stated that was his concern. Chair Brewer stated that it will be taken as coincidental.

e. Statutory Change Setting Time Limit for Schools Reapplying for Approval.

Member Kim stated that he raised this issue since schools that are denied approval can come back at the next meeting for approval again. He suggested that schools be given a year to fix their issues before being able to come back to the board. Member Wedemeyer shared that Steve Stumpf has drafted some criteria for school approval that he can send to Janelle to review before the next meeting addressing this issue. Janelle Wedge agreed to look at it noting that the Board's authority is the training program and to look at approval of the entire school would take regulatory change but she will look at the suggestions to draft language. Steve Stumpf presented to the Board criteria he felt should be including pass rates of graduates. This would also bring conditions to currently approved maintaining their approval by requiring a minimum pass rate for a school's students. Liza Goldblatt asked that material be shared with the public. Chair Brewer stated that the item was moved as a future agenda item. Neil Miller asked that these issues be discussed in committees.

12. Examination Business

a. February 10, 2011 Examination

No further discussion

b. Book Resource List

Janelle Wedge that the book list is a resource list that is used by subject matter experts in developing examination questions. She noted that she had information from OPES that states 'the consensus is that most of the Boards and Bureaus do not post reference lists for their candidates whatsoever'. They still have reference lists but it is for internal reference only. Hugh Morrison of the National Guild of Acupuncture and Oriental Medicine shared a letter he had written with the Board that the Board consider the use of scientific texts and not include energetic systems. Elizabeth Elsy, student president at Five Branches University, stated that the book list serves an important purpose and helps determine the curriculum of the schools themselves. She suggested that a group within the Board be formed to determine the criteria w/administrators to cover the appropriate information. Chair Brewer asked if the Board can just post the reference list on the website. Janelle Wedge responded that she wanted to continue quoting OPES' recommendation that, 'we do not recommend that Boards posting reference lists. By doing so the Board gives the appearance of endorsing the books as the best in the industry which is not always the case. Books are approved strictly to support what SME's determine to be correct answer to an item. The items are supported by references and content validation by SMEs. Posting can also be harmful because it can suggest that if a candidate purchased all the references on the list and study them they would pass the exam. DCA legal has supported our position on this and has made recommendations to the Boards against publishing reference lists.' Greg Sperber of PCOM noted educators should be used as SME's as they stay abreast of the material used in the practice and that a published booklist would be a valuable asset. Hugh Morrison suggested the use of the Medical Treatment Utilization Schedule. Chair Brewer stated that the Board needs to take a look at the list and its relevance if it's to be published.

c. Educators as Subject Matter Experts

Chair Brewer noted that there is currently a prohibition on educators being Subject Matter Experts. Ted Priebe asked what are the criteria for SME selection. Janelle noted that there the Board first screens the applicants for disciplinary and license status and then OPES takes over. Jacque Mora Marco stated that the selection process for SME's should take from western medicine for those portions the exam. Liza Goldblatt noted that other public health fields do not have a prohibition on educators being SMEs. Steve Stumpf noted that SMEs should be optimally qualified not minimally qualified. . Paul (?) Demonet, Academic Dean at PCOM, stated that faculty were prohibited due to security issues with the exam in the past and the public and

profession should no longer have to suffer for one individual's act of selling answers to segments of the community. This security issue will continue to be possible but there are ways to compensate for that. Schools are responsible for entry level competence not expertise. James Kim shared that the Board is always looking for new SMEs and that practitioners should take advantage of that. Greg Sperber asked that the Board agendize allowing educators as Subject Matter Experts.

13. Enforcement Business

a. Enforcement Case reports

Enforcement Coordinator Kristine Brothers presented the report to the Board. She noted that the update is from July 1, 2010 to January 31, 2011. She also presented the CPEI and the performance measures the department has regarding enforcement.

b. Enforcement Committee Formation

Chair Brewer stated that an Enforcement Committee will be formed that will talk with the department and other Boards' Enforcement Committees and report to the Board. Paul Wiesman , Robert Brewer and Frank He have agreed to be on the committee. They will report to the board at the next meeting.

c. Possible Statutory Changes Concerning Scope of Practice for Acupuncturists

To be discussed by the Blue Ribbon Panel and brought to next meeting (?)

d. Dry Needling

Ted Priebe shared that there is no difference between dry needling and acupuncture with the exact same physiological mechanisms. There is no evidence to show that it is any different. Chair Brewer then asked if the Board is being asked to include this as a part of the definition of Acupuncture. Ted Priebe affirmed. Ben Kavoussi stated that he contact the Board of Physician Assistants and confirmed that they are allowed to use needles as long as it is within their scope of practice. Neil Miller asked the Board to make the consumer aware that this is within the scope of practice of Acupuncturists. Member Lee stated that the Board needs to attend to the differing definitions since this issue keeps coming up. He also noted that the term TCM no longer refers to just the twelve meridians it's just it's the most recognized term. Bill Mosca noted that Dry needling is not a legal term in the state of California.

e. Cupping and Moxibustion by Unlicensed Practitioners

Deferred to the Enforcement Committee.

f. Disability Evaluations in Workers Compensation System

Ted Priebe stated that in CA under the Work Comp system is determined by a Judge. Acupuncturists determine impairment. He noted that impairment is still a grey area. Neal Miller brought this up because there is a shortcoming in an Acupuncturist's education that prepares them to treat our injured workforce and it's been part of the labor code of California and it is a shortcomings. He pointed out that several bills have attempted statutorily to remove this problem. He would like to see the Board specifically address issues of participating at the level practitioners are allowed to for the purpose of work comp.

14. Future Agenda Items

Member Wedemeyer wants to address the primary care issue at the next meeting. Member Lee would like progress report from the Blue Ribbon Panel. Member Kim wanted to see all the decision that were made in 2009 and 2010 and the status of those decisions. He also wants to discuss a pilot program of integrative care he's involved in. Ted Priebe asked to discuss the exam issue in relation to pass rates obtained from the Guild. A DULA student asked that DULA progress report be provided at the next meeting. Ben Kavousi asked to agendize bear bile procured from captive bears that are being farmed for their bile. Elizabeth Goldblatt asked to re-agendize educators as SMEs. Hugh Morrison asked to agendize the board to publishing workforce data.

15. Public Comment

Neal Miller shared that he has begun to put together archives of past decisions of the Board. He has asked for help from the public in this endeavor to fill in the blanks. Steve Stumpf stated that legal opinions have no authority and that the Board regulates licensees and schools. Next meeting will be May 18th.

16. Adjournment

Chair Brewer adjourns the meeting at 5:45pm.

DRAFT

ACUPUNCTURE BOARD
Executive Officer's Report

Agenda Item: 8.0
Date: August 2011

- **Board Updates**

  The Board still has three vacant positions. Two of those vacancies are our front line phone positions, which has had a significant adverse impact on the entire office. A hiring freeze is still in effect so I have submitted a freeze exemption request to fill at least the licensing position. I have not yet heard whether the request has been approved or denied.

  It is anticipated the Board's relocation to the new building at DCA headquarters will occur in October. DCA Facilities Management Unit continues to work with board staff to finalize the details of the move. Staff is currently in the process of identifying what is to be moved and what is to be surveyed. Over the next two months staff will be working to clean out and organize shared areas within the office as well as their own cubicles/offices.

  Pursuant to a request, I have enclosed a report which lists motions made by the Board over the last two years and what has occurred as a result of those motions. I have only included motions which required staff action. Motions such as approving a school, adopting a mail vote, etc. are not included in this report.

- **DCA Update**

  Kimberly Kirchmeyer Deputy Director for Board / Bureau Relations accepted an offer by the Medical Board to re-join their executive team as Deputy Director effective June 2, 2011. Kim has been a valuable member of the executive team since her appointment by the former Governor in November 2009. Kim was instrumental and played a key role for many of the achievements we have gained over the past 18 months. Kim's vast knowledge and experience in program matters helped all 37 boards, bureaus, and programs improve their daily operations, policy making, and overall board governance. Kim's professionalism, work ethic, and integrity are unmatched and worthy of emulation. Additionally, since January, Kim willingly assumed the added duties of Acting Chief Deputy in addition to her incredibly heavy workload.

  LaVonne Powell, former legal counsel to the Board, retired from the state at the end of June.

- **Budget Update**

  Enclosed is a 2010-11year-end expenditure report. Also enclosed is an analysis of our fund condition which reflects the $5 million dollar loan from our reserves. We will have to keep a close watch on our budget over the next couple of years as there is a dramatic decrease in our reserves. .

- **Travel Restrictions**

  As you are aware, on April 26, 2011 the Governor's Office issued Executive Order B-6-11 regarding discretionary travel. The Executive Order stated that all discretionary travel is prohibited. All in-state non-discretionary travel must be approved by Agency Secretaries or Department Directors who do not report to an Agency Secretary. All out-of-state travel must be approved by the Governor's Office.

  No travel, either in-state or out-of-state, is permitted unless it is mission critical or there is no cost to the state. Mission critical means travel that is directly related to:

  Enforcement responsibilities.
  Auditing.
  Revenue collection.
  A function required by statute, contract or executive directive.
  Job-required training necessary to maintain licensure or similar standards required for holding a position.

  Mission critical does not mean travel to attend:

  Conferences (even those that historically have been attended).
  Networking opportunities.
  Professional development courses.
  Continuing education classes and seminars.
  Non-essential meetings that can be conducted by phone or video conference.
  Events for the sole purpose of making a presentation unless approved by the Department Director.

  No travel is permitted for more than the minimum number of travelers necessary to accomplish the mission-critical objective. This restriction applies even when there is no cost to the state.

- **CHARLES MOTIONED TO LIMIT THE NUMBER OF ATTEMPTS BE PUT AT FIVE OPPORTUNITIES AND IF A SIXTH ATTEMPT IS MADE THAT THE APPLICANT MUST ENROLL AND FINISH A BOARD APPROVED REMEDIAL PROGRAM TO TAKE THE EXAM AGAIN. IF THE SIXTH ATTEMPT IS FAILED THEN THEY MAY NOT TEST AGAIN. PAUL WEISMAN SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED**

The Board was advised by legal counsel that this would require a legislative change. An author has not been found to carry this legislation.

- **CHARLES KIM MOTIONED TO DIRECT THE EXECUTIVE OFFICER TO SEEK OUT-OF-STATE TRAVEL APPROVAL. IF SHE IS SUCCESSFUL, THE BOARD IS TO CARRY OUT A SITE VISIT, IF NOT APPROVED THE BOARD IS TO NOTIFY THE SCHOOL THAT THE BOARD CANNOT COMPLETE THE APPLICATION PROCESS. PAUL WEISMAN SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED**

Every year the Executive Officer has submitted out-of-state travel requests which have all been subsequently denied. All affected schools were notified.

- **CHARLES KIM MOTIONED TO DELEGATE TO THE EXECUTIVE OFFICER TO REVIEW THE EXISTING TRANSCRIPTS AND MAKE DETERMINATIONS IF THERE ARE ANY DEFICIENCIES TO NOTIFY THE APPLICANTS' ATTORNEY AND IF THEY IN FACT MEET THE EDUCATION REQUIREMENTS THAT THE OTHER CANDIDATES FROM THE SCHOOL HAVE THAT THEY BE ALLOWED TO TAKE THE EXAM. GEORGE WEDEMEYER SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED**

Transcripts were reviewed and the candidates were determined to be qualified to sit for the Acupuncture examination.

- **ROBERT BREWER MOVED TO MOVE FORWARD WITH LANGUAGE FOR THE PROPOSED REGULATORY AMENDMENTS TO SECTION 1399.435 FOR FILING NOTICE. CHARLES KIM SECONDED. VOTE: 4 – 1 – 0**

Amended language was brought back to the Board at a subsequent meeting for approval and a regulatory package is in the process.

- **ANYORK LEE MOTIONED TO ADOPT THE LANGUAGE AS WRITTEN [transfer credit] AND TO DIRECT THE EXECUTIVE OFFICER TO NOTICE THE LANGUAGE FOR REGULATION. PAUL WEISMAN SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED**

Language was amended and brought back to the Board at a subsequent meeting for approval. The language is now in a regulatory package going through the process.

- **ANYORK LEE MOTIONED TO INITIATE THE PROCESS OF A RULEMAKING PACKAGE TO AMEND THE REGULATIONS** (regulations to strengthen Board enforcement program pursuant to the Department's CPEI). **PAUL WEISMAN SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED**

A regulation package has been initiated and is going through the process.

- **PAUL WEISMAN MOTIONED TO ADOPT THE AMENDED DISCIPLINARY GUIDELINES. CHARLES KIM SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED**

The amended disciplinary guidelines are included in the above rulemaking package and are going through the process.

- **CHARLES KIM MOTIONED TO ACCEPT THE PROPOSED CHANGE TO THE INDEPENDENT STUDY REGULATORY LANGUAGE. ANYORK LEE SECONDED. VOTE: 5 – 0 – 0 MOTION PASSED**

The independent study language is included in the transfer credit regulatory package and going through the process.

- **CHARLES KIM MOTIONED TO ADOPT THE PROPOSED LANGUAGE TO CLARIFY THE TYPES OF ASIAN MASSAGE AS INCLUDING TUI NA, MANUAL THERAPY AND MYOFASCIAL RELEASE. ANYORK LEE SECONDED. VOTE: 5 – 0 – 0. MOTION PASSED**

The Board was advised by legal counsel that this would require a legislative change and an author has not been found to carry the legislation.

- **GEORGE WEDEMEYER MOTIONED TO NOTICE THE PROPOSED LANGUAGE ON TRANSFER CREDIT AMENDING SECTION 1399.435 AND TO BRING IT TO A PUBLIC HEARING TO START THE REGULATORY PROCESS. PAUL WEISMAN SECONDS. VOTE: 5 – 0 – 0. MOTION PASSED.**

This matter was addressed above and is currently going through the regulatory process.

- **GEORGE WEDEMEYER MOTIONED TO AMEND THE PROPOSED REGULATION TO INCLUDE THE EFFECTIVE DATE OF JANUARY 1, 2011 FOR THE FINGERPRINTING DURING THE RENEWAL PERIOD OF 2011 – 2013. PAUL WEISMAN SECONDED. VOTE: 5 – 0 – 0. MOTION CARRIES.**

The effective date of January 1, 2011 was added to the regulatory language and is in effect.

- **CHARLES KIM MOTIONED TO ADOPT THE DRAFT BOARD MEMBER ADMINISTRATIVE PROCEDURE MANUL AND ALLOW JANELLE WEDGE AUTHORITY TO MAKE GRAMMATICAL ADJUSTMENTS. ANYORK LEE SECONDED. VOTE: 5 – 0 – 0. MOTION PASSED.**

The grammatical changes were made in the Board Member Administrative Manual and a copy provided to all members

- **CHARLES KIM MOTIONED TO ADOPT THE GUIDELINES WITH THE CHANGE TO READ 'WHEN HANDLING SURFACES. PAUL WEISMAN SECONDED. PAUL WEISMAN REMOVED HIS SECOND. CHARLES KIM REMOVED HIS MOTION WITH A REQUEST FOR MORE INFORMATION. PAUL WEISMAN MOTIONED TO ADOPT THE GUIDELINES WITH THE LANGUAGE TO SAY 'GLOVES SHALL BE WORN WHEN TOUCHING BLOOD AND BODILY FLUIDS AND MUCUOS MEMBRANES AND NON-INTACT SKIN OF PATIENTS. GLOVES SHOULD ALSO BE WORN WHEN HANDLING SURFACES SOILED WITH BLOOD AND BODY FLUIDS' AND 'STERILE GLOVES SHOULD BE USED FOR SURGICAL PROCEDURES' AND 'WHEN PERFORMING PUNCTURE AND OTHER VASCULAR PROCEDURE'. GEORGE WEDEMEYER SECONDED. 5 – 0 – 0. MOTION PASSED.**

Above changes to the infection control guidelines were made and they are posted on our website.

ACUPUNCTURE BOARD
BUDGET EXPENDITURE REPORT
2010-11 Year End

OBJECT DESCRIPTION	BUDGET ALLOTMENT FY 2010/11	2010-11 EXPENDITURES AS OF 06/30/2011 (YTD + ENCUMBER.)	NET DIFFERENCE BUDGET - EXPENDITURES SURPLUS/DEFICIT
PERSONAL SERVICES			
Salary & Wages (Staff & EO)	417,494	$332,336	**$85,158**
Temp Help Reg. (Seasonals) / Overtime	0	8,709	($8,709)
Board Members	7,463	2,000	**$5,463**
Staff Benefits	201,272	137,817	**$63,455**
Salary Savings	(36,487)		($36,487)
TOTALS, PERSONAL SERVICES	$589,742	$480,862	**$108,880**
OPERATING EXPENSE AND EQUIPMENT			
General Expense	46,803	11,577	**$35,226**
Fingerprint Reports	20,045	816	**$19,229**
Printing	18,331	4,428	**$13,903**
Communication	18,632	6,239	**$12,393**
Postage	31,773	24,657	**$7,116**
Travel	39,652	29,692	**$9,960**
Training	2,129	1,141	**$988**
Facilities Operations	65,195	71,180	($5,985)
C & P Services - Interdept. and External	15,229	0	**$15,229**
Departmental Services - Pro Rata	160,589	155,198	**$5,391**
Consolidated Data Center	2,642	737	**$1,905**
DP Maintenance & Supplies	2,494	4,385	($1,891)
Central Admin Services - Pro Rata	82,078	82,078	**$0**
Examinations	703,860	540,390	**$163,470**
Major Equipment - Replacement	6,000	5,952	**$48**
Minor Equipment	6,300	5,200	**$1,100**
Enforcement			
Attorney General	379,123	211,950	**$167,173**
Office of Admin. Hearings	106,670	26,605	**$80,065**
Evidence/Witness Fees/Reporter Svs	10,795	10,573	**$222**
Court Reporter Services	0	1,385	($1,385)
Division of Investigation	235,405	214,733	**$20,672**
Vehicle Operations	15,000	190	**$14,810**
TOTALS, OE&E	$1,968,745	$1,409,106	**$559,639**
ARF (Architecture Relocation Fund)		$100,000	
TOTAL ACUPUNCTURE BOARD	**$2,558,487**	**$1,989,968**	**$568,519**

0108 - Acupuncture
Analysis of Fund Condition

Prepared 8/16/11

(Dollars in Thousands)

FY 2010-11 Prelim Month 13 w/ Proposed BCPs	Actual 2010-2011	Governor's Budget CY 2011-2012	Governor's Budget BY 2012-2013	BY+1 2013-2014	BY+2 2014-15
BEGINNING BALANCE	$ 5,286	$ 5,771	$ 791	$ 684	$ 493
Prior Year Adjustment	$ -	$ -	$ -	$ -	$ -
Adjusted Beginning Balance	$ 5,286	$ 5,771	$ 791	$ 684	$ 493
REVENUES AND TRANSFERS					
Revenues:					
125600 Other regulatory fees	$ 36	$ 40	$ 40	$ 40	$ 40
125700 Other regulatory licenses and permits	$ 716	$ 893	$ 893	$ 893	$ 893
125800 Renewal fees	$ 1,641	$ 1,604	$ 1,604	$ 1,604	$ 1,604
125900 Delinquent fees	$ 12	$ 11	$ 11	$ 11	$ 11
141200 Sales of documents	$ -	$ -	$ -	$ -	$ -
142500 Miscellaneous services to the public	$ 2	$ 2	$ 2	$ 2	$ 2
150300 Income from surplus money investments	$ 27	$ 52	$ 4	$ 3	$ 1
150500 Interest Income From Interfund Loans	$ -	$ -	$ -	$ -	$ -
160400 Sale of fixed assets	$ -	$ -	$ -	$ -	$ -
161000 Escheat of unclaimed checks and warrants	$ 3	$ 3	$ 3	$ 3	$ 3
161400 Miscellaneous revenues	$ -	$ -	$ -	$ -	$ -
Totals, Revenues	$ 2,437	$ 2,605	$ 2,557	$ 2,556	$ 2,554
Transfers from Other Funds					
GF 11-12 Loan Repayment					
Transfers to Other Funds					
Proposed GF IP Proposed GF Loan		$ -5,000			
Totals, Revenues and Transfers	$ 2,437	$ -2,395	$ 2,557	$ 2,556	$ 2,554
Totals, Resources	$ 7,723	$ 3,376	$ 3,348	$ 3,240	$ 3,047
EXPENDITURES					
Disbursements:					
8840 FSCU (State Operations) - DOF update	$ 5	$ 3			
8860 FSCU (State Operations)	$ -	$ -	$ -	$ -	$ -
8880 Financial Information System for CA (State Operations)	$ 2	$ 11			
1110 Program Expenditures (State Operations)	$ 1,945	$ 2,567	$ 2,618	$ 2,670	$ 2,723
Breeze SPR Funding		$ 21	$ 38	$ 48	$ 44
BCPs:					
CPEI Technical Adjustment - SI Pay Differential			$ 5	$ 5	$ 5
Credit Card BCP (BreEZe)			$ 20	$ 41	$ 41
BL 11-08 Cellular Phone Reduction		$ -2	$ -2	$ -2	$ -2
EO B-03-11 CS 3.91 DCA Savings Plan		$ -15	$ -15	$ -15	$ -15
Total Disbursements	$ 1,952	$ 2,585	$ 2,664	$ 2,747	$ 2,796
FUND BALANCE					
Reserve for economic uncertainties	$ 5,771	$ 791	$ 684	$ 493	$ 251
Months in Reserve	26.8	3.6	3.0	2.1	1.1

NOTES:

A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED

B. EXPENDITURE GROWTH PROJECTED AT 2% BEGINNING FY 2012-13

STAFF
BILL GAGE
Chief Consultant
G.V. AYERS
SARAH MASON
ROSIELYN PULMANO
KATHLEEN SULLIVAN
Committee Assistant

MEMBERS
Vice Chair – BILL EMMERSON
ELLEN M. CORBETT
LOU CORREA
ED HERNANDEZ, O.D.
GLORIA NEGRETE McLEOD
JUAN VARGAS
MIMI WALTERS
MARK WYLAND

California Legislature

Senate Committee on Business, Professions & Economic Development

Senator
Curren D. Price, Jr.
Chair

Acupuncture Board
RECEIVED
MAY 11 2011

Memorandum

To: Boards Subject to Review in 2011-12

From: Senator Curren D. Price, Jr.

Date: May 10, 2011

Subject: Request for Information and Issues to be Addressed for 2011-12 Oversight Review

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This is to inform you that the Senate Committee on Business, Professions and Economic Development (Committee) will begin its oversight review of the following boards in the fall of 2011:

- ✓Acupuncture Board
- Board of Behavioral Sciences
- Chiropractic Board
- Court Reporters Board
- Pharmacy Board
- Physical Therapy Board
- Physician Assistant Committee
- Podiatric Medicine Board
- Psychology Board

You will receive separately by email a Report Form that should be completed and submitted to the Committee by November 1, 2011. The Report has been significantly revised from the Report used by the Committee in prior years. The revisions are intended to simplify the reporting process for the boards, and focus more clearly on issues of interest to the Committee. The first sections of the Report provide an overview of the board's current regulatory program, and gives pre-formatted tables and charts to be filled in by the board. The latter sections focus on responses by the board to

particular issues that are raised by the Committee or that are raised by the individual board.

We ask that you complete the tables and charts and provide the appropriate statistical information for the fiscal years indicated. In the event that some information may not pertain to your particular board, please note it on your response, but please be sure to include information that is relevant to your activities and programs.

In completing your Report, please note the following sections:

Section 10 – Board Action and Response to Prior Sunset Issues. This should reflect the board's response to each individual issue and recommendation that was raised by the Committee during the prior review of the board.

Section 11 – New Issues. The Committee may have additional issues that the board will have to address during this review. The board also has an opportunity to raise new issues and make recommendations to the Committee within this section. We encourage the board to request a meeting with Committee staff to review possible issues to be addressed within this document for the 2011 review.

Along with the Report Form, you are also being sent a Guide to complete the tables in the Report. Most of the tables may be completed from data in standard reports that the board already receives. If your board does not use the Department's report and data processes, please report information using the definitions given in the Guide.

Each board should submit 15 printed copies of its final Report to the Committee, and also submit an electronic copy to the Committee (you may submit a PDF version, but we also request a MS-Word copy).

Committee staff will be responsible for investigating and analyzing information provided by the board, and then preparing a background paper with issues to be addressed by the board and, when possible, preliminary recommendations for the board and interested parties to consider during our public hearings to be held early in 2012.

We expect to announce the dates for the hearings sometime in December. We would like to request that once the hearing dates are set that the board send out letters of interest (by mail or email) to your mailing list of organizations, groups, or individuals who would be interested in attending the Committee's public hearings.

If you have any questions about the attached documents or the review process, please contact G. V. Ayers of my staff at (916) 651-4104.

Attachments to be sent by email

[BOARD NAME]
BACKGROUND INFORMATION AND OVERVIEW OF THE CURRENT REGULATORY PROGRAM
As of [date]

Section 1 – Background and Description of the Board and Regulated Profession

Provide a short explanation of the history and function of the board.[1] Describe the occupations/profession that are licensed and/or regulated by the board (Practice Acts vs. Title Acts).

1. Describe the make-up and functions of each of the board's committees.

Table 1a. Attendance			
[Enter board member name]			
Date Appointed:	[Enter date appointed]		
Meeting Type	**Meeting Date**	**Meeting Location**	**Attended?**
Meeting 1	[Enter Date]	[Enter Location]	[Y/N]
Meeting 2	[Enter Date]	[Enter Location]	[Y/N]
Meeting 3	[Enter Date]	[Enter Location]	[Y/N]
Meeting 4	[Enter Date]	[Enter Location]	[Y/N]

Table 1b. Board/Committee Member Roster					
Member Name (Include Vacancies)	Date First Appointed	Date Re-appointed	Date Term Expires	Appointing Authority	Type (public or professional)

2. In the past four years, was the board unable to hold any meetings due to lack of quorum? If so, please describe. Why? When? How did it impact operations?
3. Describe any major changes to the board since the last Sunset Review, including:
   - Internal changes (i.e., reorganization, relocation, change in leadership, strategic planning)

[1] The term "board" in this document refers to a board, bureau, commission, committee, department, division, program or agency, as applicable. Please change the term "board" throughout this document to appropriately refer to the entity being reviewed.

- All legislation sponsored by the board and affecting the board
- All proposed regulations initiated since the board's last sunset review.

4. Describe any major studies conducted by the board.
5. List the status of all national associations to which the board belongs.
   - Does the board's membership include voting privileges?
   - List committees, workshops, working groups, task forces, etc., on which board participates.
   - How many meetings did board representative(s) attend? When and where?
   - If the board is using a national exam, how is the board involved in its development, scoring, analysis, and administration?

Section 2 – Performance Measures and Customer Satisfaction Surveys

6. Provide each quarterly and annual performance measure report as published on the DCA website
7. Provide results for each question in the customer satisfaction survey broken down by fiscal year. Discuss the results of the customer satisfaction surveys.

Section 3 – Fiscal and Staff

Fiscal Issues

8. Describe the board's current reserve level, spending, and if a statutory reserve level exists.
9. Describe Budget Change Proposals (BCPs) submitted by the board in the past four fiscal years.
10. Describe if/when deficit is projected to occur and if/when fee increase or reduction is anticipated. Describe the fee changes anticipated by the board.

Table 2. Budget Change Proposals (BCPs)

BCP ID #	Fiscal Year	Description of Purpose of BCP	Personnel Services				OE&E	
			# Staff Requested (include classification)	# Staff Approved (include classification)	$ Requested	$ Approved	$ Requested	$ Approved

Table 3. Fee Schedule and Revenue							
Fee	Current Fee Amount	Statutory Limit	FY 2007/08 Revenue	FY 2008/09 Revenue	FY 2009/10 Revenue	FY 2010/11 Revenue	% of Total Revenue

Table 4. Fund Condition						
(Dollars in Thousands)	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Beginning Balance						
Revenues and Transfers						
Total Revenue	$	$	$	$	$	$
Budget Authority						
Expenditures						
Fund Balance	$	$	$	$	$	$

11. Describe license renewal cycles and history of fee changes in the last 10 years.
12. Describe history of general fund loans. When were the loans made? When were payments made? What is the remaining balance?
13. Describe the amounts and percentages of expenditures by program components. Use the attached Table 5a: Expenditures by Program Component Worksheet as the basis for calculating expenditures by program component. Expenditures by each component should be broken out by personnel expenditures and other expenditures.

Table 5. Expenditures by Program Component								
	FY 2007/08		FY 2008/09		FY 2009/10		FY 2010/11	
	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E	Personnel Services	OE&E
Enforcement								
Examination								
Licensing								
Diversion (if applicable)								
TOTALS	$	$	$	$	$	$	$	$

Staffing Issues

14. Describe any staffing issues/challenges, i.e., vacancy rates, efforts to reclassify positions, staff turnover, recruitment and retention efforts, succession planning.
15. Describe the board's staff development efforts and how much is spent annually on staff development. Provide year-end organizational charts for the last four fiscal years.

Section 4 – Licensing Program

16. What are the board's performance targets/expectations for its licensing program? Is the board meeting those expectations? If not, what is the board doing to improve performance?
17. Describe any increase or decrease in average time to process applications, administer exams and/or issue licenses. Have pending applications grown at a rate that exceeds completed applications? If so, what has been done to address them? What are the performance barriers and what improvement plans are in place? What has the board done and what is the board going to do to address any performance issues, i.e., process efficiencies, regulations, BCP, legislation?

Table 6. Licensee Population

		FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
[Enter License Type]	Active				
	Out-of-State				
	Out-of-Country				
	Delinquent				
[Enter License Type]	Active				
	Out-of-State				
	Out-of-Country				
	Delinquent				
[Enter License Type]	Active				
	Out-of-State				
	Out-of-Country				
	Delinquent				
[Enter License Type]	Active				
	Out-of-State				
	Out-of-Country				
	Delinquent				

Table 7a. Licensing Data by Type											
						Pending Applications			Cycle Times		
	Application Type	Received	Approved	Closed	Issued	Total (Close of FY)	Outside Board control*	Within Board control*	Complete Apps	Incomplete Apps	combined, IF unable to separate out
FY 2008/09	(Exam)					-	-	-	-	-	-
	(License)					-	-	-	-	-	-
FY 2009/10	(Exam)					-	-	-	-	-	-
	(License)					-	-	-	-	-	-
FY 2010/11	(Exam)										
	(License)										
* Optional. List if tracked by the board.											

Table 7b. Total Licensing Data			
	FY 2008/09	FY 2009/10	FY 2010/11
Initial Licensing Data:			
Initial License/Initial Exam Applications Received			
Initial License/Initial Exam Applications Approved			
Initial License/Initial Exam Applications Closed			
License Issued			
Initial License/Initial Exam Pending Application Data:			
Pending Applications (total at close of FY)			
Pending Applications (outside of board control)*			
Pending Applications (within the board control)*			
Initial License/Initial Exam Cycle Time Data (WEIGHTED AVERAGE)			
Average Days to Application Approval (All - Complete/Incomplete)			
Average Days to Application Approval (incomplete applications)*			
Average Days to Application Approval (complete applications)*			
* Optional. List if tracked by the board.			

18. How does the board verify information provided by the applicant?
    a. What process is used to check prior criminal history information, prior disciplinary actions, or other unlawful acts of the applicant?
    b. Does the board fingerprint all applicants?
    c. Have all current licensees been fingerprinted? If not, explain.
    d. Does the board check a national databank?
    e. Does the board require primary source documentation?

19. Describe the board's legal requirement and process for out-of-state and out-of-country applicants to obtain licensure.

Continuing Education/Competency Requirements

20. Describe the board's continuing education/competency requirements, if any. Describe any changes made by the board since the last review.
    a. How does the board verify CE or other competency requirements?
    b. Does the board conduct CE audits on its licensees? Describe the board's policy on CE audits.
    c. What are consequences for failing a CE audit?
    d. How many CE audits were conducted in the past four fiscal years? How many fails?
    e. What is the board's course approval policy?
    f. Who approves CE providers? Who approves CE courses? If the board approves them, what is the board application review process?
    g. How many applications for CE providers and CE courses were received? How many were approved?
    h. Does the board audit CE providers? If so, describe the board's policy and process.
    i. Describe the board's effort, if any, to review its CE policy for purpose of moving toward performance based assessments of the licensees' continuing competence.

Table 8. Examination Data				
California Examination (include multiple language) if any:				
	License Type			
	Exam Title			
FY 2007/08	# of 1st Time Candidates			
	Pass %			
FY 2008/09	# of 1st Time Candidates			
	Pass %			
FY 2009/10	# of 1st Time Candidates			
	Pass %			
FY 2010/11	# of 1st time Candidates			
	Pass %			
	Date of Last OA			
	Name of OA Developer			
	Target OA Date			
National Examination (include multiple language) if any:				
	License Type			
	Exam Title			
FY 2007/08	# of 1st Time Candidates			
	Pass %			
FY 2008/09	# of 1st Time Candidates			

	Pass %			
FY 2009/10	# of 1st Time Candidates			
	Pass %			
FY 2010/11	# of 1st time Candidates			
	Pass %			
	Date of Last OA			
	Name of OA Developer			
	Target OA Date			

Examinations

21. Describe the examinations required for licensure. Is a national exam used? Is there a California specific exam required?
22. What are pass rates for first time vs. retakes in the past 4 fiscal years? *(Refer to Table 8: Exam Data)*
23. Is the board using computer based testing? If so, for which tests? Describe how it works. Where is it available? How often are tests administered?
24. Are there existing statutes that hinder the efficient and effective processing of applications and/or examinations? If so, please describe.

School approvals

25. Describe legal requirements regarding school approval. Who approves your schools? What role does BPPE have in approving schools? How does the board work with BPPE in the school approval process?
26. How many schools are approved by the board? How often are schools reviewed?
27. What are the board's legal requirements regarding approval of international schools?

Section 5 – Enforcement Program

28. What are the board's performance targets/expectations for its enforcement program? Is the board meeting those expectations? If not, what is the board doing to improve performance?
29. Explain trends in enforcement data and the board's efforts to address any increase in volume, timeframes, ratio of closure to pending, or other challenges. What are the performance barriers? What improvement plans are in place? What has the board done and what is the board going to do to address these issues, i.e., process efficiencies, regulations, BCP, legislation?

Table 9a. Enforcement Statistics			
	FY 2008-09	FY 2009-10	FY 2010-11
COMPLAINT			
Intake (Use CAS Report EM 10)			
Received			
Closed			
Referred to INV			
Average Time to Close	-	-	
Pending (close of FY)			
Source of Complaint (Use CAS Report 091)			
Public			
Licensee/Professional Groups			
Governmental Agencies			
Other			
Conviction / Arrest (Use CAS Report EM 10)			
CONV Received			
CONV Closed			
Average Time to Close	-	-	
CONV Pending (close of FY)			
LICENSE DENIAL (Use CAS Reports EM 10 and 095)			
License Applications Denied			
SOIs Filed			
SOIs Withdrawn			
SOIs Dismissed			
SOIs Declined			
Average Days SOI	-	-	
ACCUSATION (Use CAS Report EM 10)			
Accusations Filed			
Accusations Withdrawn			
Accusations Dismissed			
Accusations Declined			
Average Days Accusations	-	-	
Pending (close of FY)			

Table 9b. Enforcement Statistics (continued)			
	FY 2008-09	FY 2009-10	FY 2010-11
DISCIPLINE			
Disciplinary Actions (Use CAS Report EM 10)			
Proposed/Default Decisions			
Stipulations			
Average Days to Complete	-	-	
AG Cases Initiated			
AG Cases Pending (close of FY)			
Disciplinary Outcomes (Use CAS Report 096)			
Revocation			
Voluntary Surrender			
Suspension			
Probation with Suspension			
Probation			
Probationary License Issued			
Other			
PROBATION			
New Probationers			
Probations Successfully Completed			
Probationers (close of FY)			
Petitions to Revoke Probation			
Probations Revoked			
Probations Modified			
Probations Extended			
Probationers Subject to Drug Testing			
Drug Tests Ordered			
Positive Drug Tests			
Petition for Reinstatement Granted			
DIVERSION			
New Participants			
Successful Completions			
Participants (close of FY)			
Terminations			
Terminations for Public Threat			
Drug Tests Ordered			
Positive Drug Tests			

Table 9c. Enforcement Statistics (continued)			
	FY 2008-09	FY 2009-10	FY 2010-11
INVESTIGATION			
All Investigations (Use CAS Report EM 10)			
First Assigned			
Closed			
Average days to close	-	-	
Pending (close of FY)			
Desk Investigations (Use CAS Report EM 10)			
Closed	-	-	
Average days to close	-	-	
Pending (close of FY)	-	-	
Non-Sworn Investigation (Use CAS Report EM 10)			
Closed	-	-	
Average days to close	-	-	
Pending (close of FY)	-	-	
Sworn Investigation			
Closed (Use CAS Report EM 10)			
Average days to close	-	-	
Pending (close of FY)			
COMPLIANCE ACTION (Use CAS Report 096)			
ISO & TRO Issued			
PC 23 Orders Requested			
Other Suspension Orders			
Public Letter of Reprimand			
Cease & Desist/Warning			
Referred for Diversion			
Compel Examination			
CITATION AND FINE (Use CAS Report EM 10 and 095)			
Citations Issued			
Average Days to Complete	-	-	
Amount of Fines Assessed			
Reduced, Withdrawn, Dismissed			
Amount Collected			
CRIMINAL ACTION			
Referred for Criminal Prosecution			

Table 10. Enforcement Aging						
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	Cases Closed	Average %
Attorney General Cases (Average %)						
Closed Within:						
1 Year						
2 Years						
3 Years						
4 Years						
Over 4 Years						
Total Cases Closed						
Investigations (Average %)						
Closed Within:						
90 Days						
180 Days						
1 Year						
2 Years						
3 Years						
Over 3 Years						
Total Cases Closed						

30. What do overall statistics show as to increases or decreases in disciplinary action since last review.
31. How are cases prioritized? What is the board's compliant prioritization policy? Is it different from DCA's model? If so, explain why.
32. Are there mandatory reporting requirements? For example, requiring local officials or organizations, or other professionals to report violations, or for civil courts to report any actions taken against the licensee. Are there problems with receiving the required reports? If so, what could be done to correct the problems?
33. Does the board operate with a statute of limitations? If so, please describe and provide citation. If so, how many cases were lost due to statute of limitations? If not, what is the board's policy on statute of limitations?

Cite and Fine

34. Discuss the extent to which the board has used its cite and fine authority. Discuss any changes from last review and last time regulations were updated. Has the board increased its maximum fines to the $5,000 statutory limit?
35. How is cite and fine used? What types of violations are the basis for citation and fine?
36. How many informal office conferences, Disciplinary Review Committees reviews and/or Administrative Procedure Act appeals in the last 4 fiscal years?
37. What are the 5 most common violations for which citations are issued?
38. What is average fine pre and post appeal?
39. Describe the board's use of Franchise Tax Board intercepts to collect outstanding fines.

Cost Recovery and Restitution

40. Describe the board's efforts to obtain cost recovery. Discuss any changes from the last review.
41. How many and how much is ordered for revocations, surrenders and probationers? How much do you believe is uncollectable? Explain.
42. Are there cases for which the board does not seek cost recovery? Why?
43. Describe the board's use of Franchise Tax Board intercepts to collect cost recovery.
44. Does the board have legal authority to order restitution? If so, describe the board's efforts to obtain restitution for individual complainants, the board's formal restitution program, and the types of restitution that the board attempts to collect, i.e., monetary, services, etc. Discuss any changes since last review.

Table 11. Cost Recovery

	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12
Total Enforcement Expenditures				
Potential Cases for Recovery *				
Cases Recovery Ordered				
Amount of Cost Recovery Ordered				
Amount Collected				

** "Potential Cases for Recovery" are those cases in which disciplinary action has been taken based on a violation(s) of the license practice act.*

Table 12. Restitution

	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Amount Ordered				
Amount Collected				

Section 6 – Public Information Policies

45. How does the board use the internet to keep the public informed of board activities? Does the board post board meeting materials online? When are they posted? How long do they remain on the website? When are draft meeting minutes posted online? When does the board post final meeting minutes? How long do meeting minutes remain available online?
46. Does the board webcast its meetings? How far in advance does the board post future meeting dates?
47. Are the board's complaint disclosure policy consistent with DCAs complaint disclosure and public disclosure policies?
48. What information does the board provide to the public regarding its licensees (i.e., education completed, awards, certificates, certification, specialty areas, disciplinary action, etc.)?
49. What methods are used by the board to provide consumer outreach and education?

Section 7 – Online Practice Issues

50. Discuss the prevalence of online practice and whether there are issues with unlicensed activity. How does the board regulate online practice? Does the board have any plans to regulate Internet business practices or believe there is a need to do so?

Section 8 – Workforce Development and Job Creation

51. What actions has the board taken in terms of workforce development?
52. Describe any assessment the board has conducted on the impact of licensing delays on job creation.
53. Describe any efforts that the board takes to alleviate negative impact of its regulatory mission on California business, including small and micro business.
54. Describe any partnering or information sharing the board has with other government agencies, such as Workforce Investment Boards or Office of Statewide Health Planning and Development.
55. Describe the board's outreach to schools.
56. Provide any workforce development data collected by the board, such as:
    a. Workforce shortages and staffing needs
    b. Successful training programs
    c. Number of jobs created by its licensure program

Section 9 – Current Issues

57. What is the status of the board's implementation of the Uniform Standards for Substance Abusing Licensees?
58. What is the status of the board's implementation of the Consumer Protection Enforcement Initiative (CPEI) regulations?
59. Describe how the board is participating in development of BreEZe and any other secondary IT issues affecting the board.
60. Describe the board's efforts to comply with OSHPD data collection efforts.
61. Describe the board's efforts to address unlicensed activity and the underground economy.
62. Does the board send No Longer Interested notifications to DOJ on a regular and ongoing basis? Is this done electronically? Is there a backlog? If so, describe the extent and efforts to address the backlog.

Section 10 – Board Action and Response to Prior Sunset Issues

Include the following:

1. Background information concerning the issue as it pertains to the board.
2. Short discussion of recommendations made by the Committee/Joint Committee during prior sunset review.
3. What action the board took pursuant to the recommendation or findings made under prior sunset review.
4. Any recommendations the board has for dealing with the issue.

Section 11 – New Issues

List new issues raised in this report. Give a short discussion of the issues, recommendations, or actions which could be taken by the board, Department of Consumer Affairs, or Legislature to deal with issues discussed in this report, i.e., legislative changes, policy direction, budget changes.

1. New issues raised by the Committee to be addressed by the board in this report.

2. New issues identified by the board that are previously addressed in this report or by prior Sunset Review. Include new proposals for legislation, policy direction or budget changes.

Section 12 – Attachments

Please provide the following attachments:

A. Board's administrative manual

B. Current organizational chart showing relationship of committees to the board and membership of each committee

C. Major studies, if appropriate

D. Year-end organization charts for last four fiscal years. Each chart should include number of staff by classifications assigned to each major program area (licensing, enforcement, administration, etc.)

E. Board's records retention schedule.

STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

STATE AND CONSUMER SERVICES AGENCY • GOVERNOR EDMUND G. BROWN JR.
ACUPUNCTURE BOARD
444 N. 3rd Street, Suite 260, Sacramento, CA 95811
P (916) 445-3021 F (916) 445-3015 www.acupuncture.ca.gov

DATE	August 17, 2011
TO	All Board Members
FROM	Kristine Brothers Enforcement Coordinator
SUBJECT	**Enforcement Update for July 1, 2011 to July 30, 2011**

COMPLAINTS/CONVICTIONS & ARRESTS

DCA Category	Received	Closed/Referred to Investigation
Unprofessional Conduct	1	4
Unlicensed/Unregistered	2	1
Criminal Charges/Convictions	7	11
Sexual Misconduct	0	0
Fraud	2	1
Non-jurisdictional	2	1
Incompetence/Negligence	0	0
Unsafe/Unsanitary Conditions	0	0
Other	0	0
Substance Abuse/Drug & Mental/Physical Impairment	0	0
Discipline by Another State Agency	1	1
Total	**15**	**19**
Average Intake Time: 9 days		

*INVESTIGATIONS

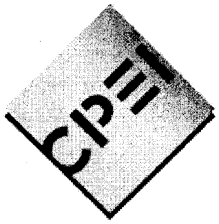
DCA Category	Initiated	Pending	Closed
Unprofessional Conduct	4	22	2
Unlicensed/Unregistered	1	14	3
Criminal Charges/Convictions	10	30	4
Sexual Misconduct	0	6	1
Fraud	1	9	1
Non-jurisdictional	0	0	0
Incompetence/Negligence	0	13	1
Unsafe/Unsanitary Conditions	0	2	0
Other	0	1	1
Substance Abuse/Drug & Mental/Physical Impairment	0	1	0
Discipline by Another State Agency	0	0	0
Total	**16**	**98**	**13**

*Includes formal investigations conducted by DOI and desk investigations conducted by staff

DISCIPLINARY ACTIONS

Requested	**7**
Pending	**34**
Accusation/SOI Filed	**5**
Closed	**2**
Revoked	1
Voluntary Surrender	1
Probation	0
License Denied	0
Avg. Overall Process Time	**1043 days**
Open Probation Cases	**24**

Home Logout Help



CONSUMER PROTECTION ENFORCEMENT INITIATIVE

Monthly Enforcement Report to DCA

Month: July

Year: 2011

Program: Acupuncture Board

Date Submitted: 08-16-2011

Complaint Intake

Complaints Received by the Program. Measured from date received to assignment for investigation or closure without action.

Complaints

Received: 8

Closed without Assignment for Investigation: 2

Assigned for Investigation: 6

Average Days to Close or Assigned for Investigation: 9

Pending:3

Convictions/Arrest Reports

Received: 7

Closed: 11

Average Days to Close: 9

Pending: 0

Investigation

Complaints investigated by the program whether by desk investigation or by field investigation. Measured by date the complaint is received to the date the complaint is closed or referred for enforcement action. If a complaint is

never referred for Field Investigation, it will be counted as "Closed" under Desk Investigation. If a complaint is referred for Field Investigation, it will be counted as "Closed" under Non–Sworn or Sworn.

Desk Investigation

Initial Assignment for Desk Investigation: 16

Closed: 9

Average Days to Close: 136

Pending: 47

Field Investigation (Non-Sworn)

Assignment for Non-Sworn Field Investigation: N/A

Closed: N/A

Average Days to Close: N/A

Pending: N/A

Field Investigation (Sworn)

Assignment for Sworn Field Investigation: 5

Closed: 4

Average Days to Close: 337

Pending: 51

All Investigation

Closed: 13

Average Days to Close: 198

Pending: 98

Enforcement Actions

AG Cases

AG Cases Initiated: 7

AG Cases Pending: 34

SOIs/Accusations

SOIs Filed: 1

SOIs Withdrawn: 1

SOIs Dismissed: 0

SOIs Declined: 0

Average Days to Complete SOIs: 484

Accusations Filed: 4

Accusations Withdrawn: 0

Accusations Dismissed: 0

Accusations Declined: 0

Average Days to Complete Accusations: 0

Decisions/Stipulations

Proposed/Default Decisions: 1

Stipulations: 1

Disciplinary Orders

Final Orders (Proposed Decisions Adopted, Default Decisions, Stipulations): 2

Average Days to Complete: 1043

Interim Suspension Orders: 0

Citations

Final Citations: 0

Average Days to Complete: 0

Comments:

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Department of Consumer Affairs

State of California

Acupuncture Board

Performance Measures

Annual Report *(2010 – 2011 Fiscal Year)*

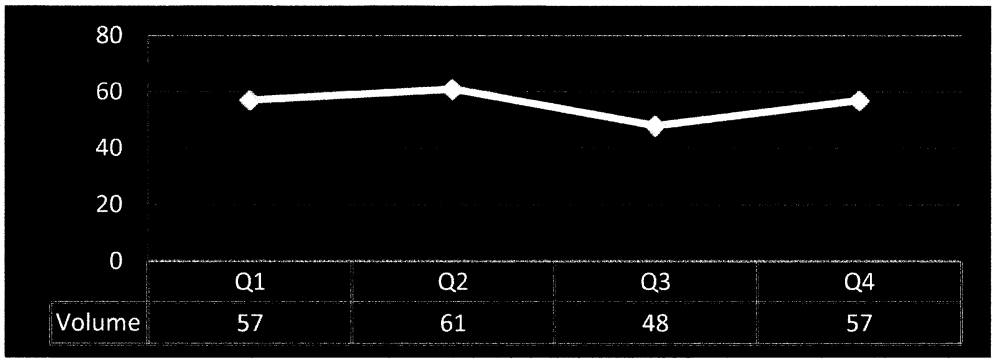
To ensure stakeholders can review the Board's progress in meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures are posted publicly on a quarterly basis.

This annual report represents the culmination of the first four quarters worth of data.

Volume

Number of complaints and convictions received.

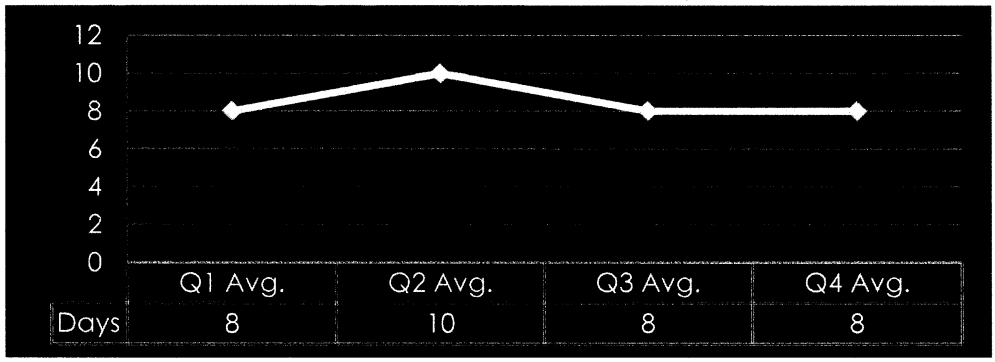
The Board had an annual total of 223 this fiscal year.



Intake

Average cycle time from complaint receipt, to the date the complaint was assigned to an investigator.

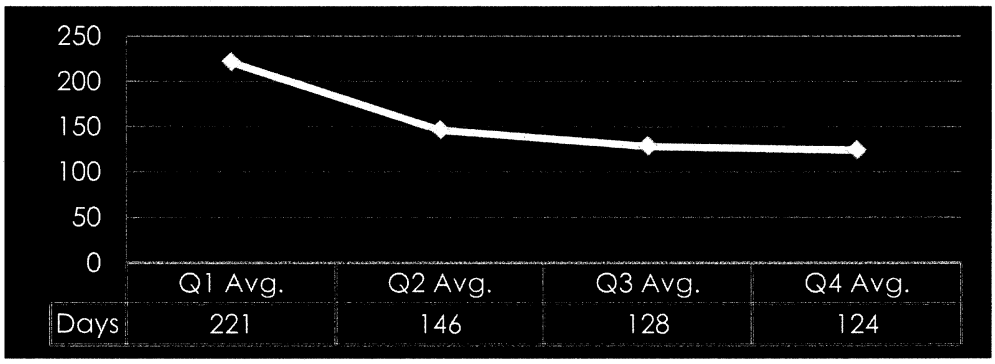
The Board has set a target of 10 days for this measure.



Intake & Investigation

Average cycle time from complaint receipt to closure of the investigation process. Does not include cases sent to the Attorney General or other forms of formal discipline.

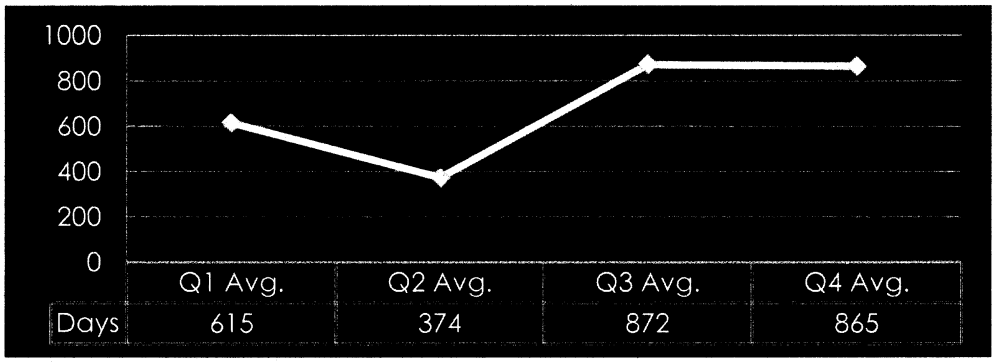
The Board has set a target of 200 days for this measure.



Formal Discipline

Average number of days to complete the entire enforcement process for cases resulting in formal discipline. (Includes intake and investigation by the Board, and prosecution by the AG)

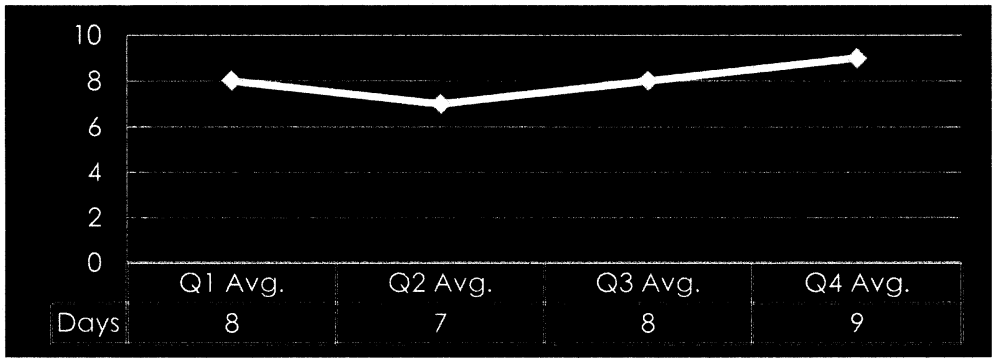
The Board has set a target of 540 days for this measure.



Probation Intake

Average number of days from monitor assignment, to the date the monitor makes first contact with the probationer.

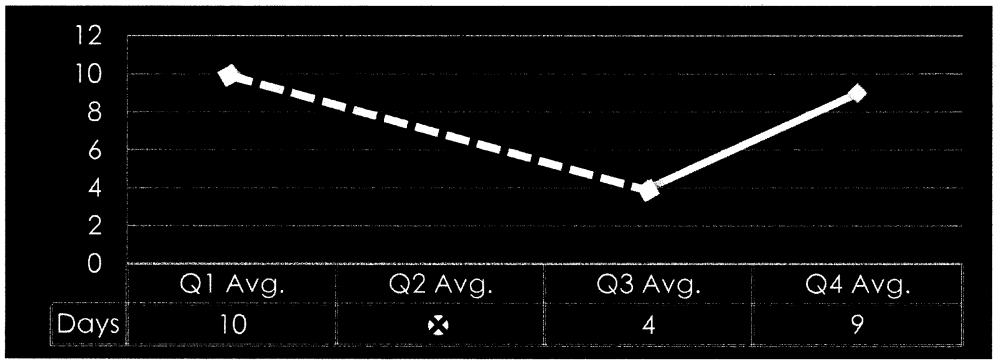
The Board has set a target of 10 days for this measure.



Probation Violation Response

Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

The Board has set a target of 10 days for this measure.



GOLDEN STATE UNIVERSITY

9047 E. Florence Ave. #L • Downey, CA 90240

(562) 622-3368 tel. • http://www.goldenstateuniv.us/

Sunny Kim

Asian Medicine School Business 3 years Plans

Reported by CEO team Sunny Kim : CEO

Kimmy Kim: Academic Dean

Julli Moon: Clinic Dean

Jordan Kim: Business director,

Joseph Kim: Board treasure

Date: August, 15, 2011

A).What we are changed after February CAB meeting?

1. GSU added the business department and hired a director from August 2011 who has a Bachelor of Science, Business Administration at Murray State University in KY and experiences.
2. GSU has mentors group for school business and clinic business beside board.
3. GSU has financial structure system by CPA Team

B). We are recognized health educational mission in this region.

In the City of Downey and few neighbor cities there are no health related institutions.

C).Action Plans for students recruiting (goal: 300 students in 3years)

1. ANNOUNCE: As Soon as CAB approved GSU, I will announce students not to move to other school to prepare CAB examination and for intern training course from Fall Quarter 2011.
2. CONNECT: We will connect to give full education for students who will graduate the sport colleges, medical assistant colleges, Universities which provide AA degree above and nurses.

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3. DEMONSTRATE: Here are 3 city community colleges and 3 State University in 2 to 5 miles radius to demonstrate Natural health care study to look for prospective students.

4. SCHEDULE: A business director as a staff will plan all schedules and prepare for activities, open relationship in the communities not only city of Downey but neighbor cities to find prospective.

5. SHARE: GSU students will share academic information to college students, what they learned in GSU by weekly base to encourage prospective students.
6. ADVERTISE: GSU will advertise in local news papers t for potential Students

D).Action Planes for patients recruiting (goal: 600patients/ M $18,000/Mon)

1. EDUCATE: GSU faculties will provide the class of "the nutritional care " to high school students, parents, boy and girl's scout members, seniors, and Sunday school students.

2. CONSULT: GSU Clinic student interns will become leaders for sport teams of high schools and colleges for consulting health with a supervisor.

3. ORGANIZE/SERVE: GSU Clinic have plan to organize clubs of "senior care" , " prevent over weight", "brighten spirit" , "breath exercise" to serve for the community.

4. MOTIVATE: GSU Clinic give motivation to make students health clubs in their schools and to provide health consultation for them.

5. CONNECT: GSU Clinic will give and take referral patients with other practitioners and hospitals.

6. OPEN: GSU Clinic plan to open weekend free clinic where is low income area

   if the city is cooperate.

President : Kim , Sunny Sungil Lac. PhD 8/18/2011

GOLDEN STATE UNIVERSITY, INC.

FOR THE YEAR ENDED DECEMBER 31, 2010

FINANCIAL STATEMENTS & INDEPENDENT AUDITOR'S REPORT

CHO & WOO
AN ACCOUNTACY CORPORATION

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Schedules of Operating Expense	**11**

CHO & WOO
AN ACCOUNTANCY CORPORATION

STEPHEN YONGJIK CHO, CPA
YOON HEE WOO, CPA

3250 WILSHIRE BLVD., SUITE 1502
LOS ANGELES, CALIFORNIA 90010
PHONE: (213) 383-0972
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and stockholders of
Golden State University, Inc.
Downey, California

We have audited the accompanying balance sheet of Golden State University, Inc. (a California Corporation) as of December 31, 2010, and the related statements of income, retained earnings, and cash flows for the year then ended. Theses financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Golden State University, Inc. as of December 31, 2010 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Operating Expenses on page 11 is presented for purposed of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Los Angeles, California
July 14, 2011

GOLDEN STATE UNIVERSITY, INC.

BALANCE SHEET
DECEMBER 31, 2010

	2010
ASSETS	
Current Assets	
Cash - Note 3	$ 2,660
Tuition Receivable - Net - Note 2 & 4	7,800
Inventory	3,460
Total Current Assets	13,920
Property and Equipment - Net- Note 5	18,000
Other Assets	
Deposits - Note 6	2,916
Total Other Assets	2,916
TOTAL ASSETS	$ 34,836
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current Liabilities	
Accounts Payable	$ 1,983
Income Taxes Payable	2,076
Total Current Liabilities	4,059
Long-term Liabilities	
Due to Officer	5,819
Total Long-term Liabilities	5,819
Total Liabilities	9,878
Stockholder's Equity	
Common stock	22,893
Retained Earnings	2,065
Total Stockholder's Equity	24,958
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 34,836

The Accompanying Notes are an integral part of these financial statements.

GOLDEN STATE UNIVERSITY, INC.

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	
NET REVENUE	$ 98,992	100%
OPERATING EXPENSES (Schedule of operating expenses attached)	95,005	96.0
INCOME FROM OPERATIONS	3,987	4.0
OTHER INCOME	5	0.0
INCOME BEFORE TAXES	3,992	4.0
PROVISION FOR INCOME TAXES	1,276	1.3
NET INCOME	2,716	2.7%
RETAINED EARNINGS - BEGINNING	(651)	
RETAINED EARNINGS - ENDING	$ 2,065	

The Accompanying notes are an integral part of these financial statements.

GOLDEN STATE UNIVERSITY, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010
CASH FLOWS FROM OPERATING ACTIVITIES:	
NET INCOME	$ 2,716
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Depreciation	2,000
(Incr.) Decr. in tuition receivable	(5,486)
(Incr.) Decr. in prepaid & other assets	(1,283)
Incr. (Decr.) in accounts payable	1,228
Incr. (Decr.) in income taxes payable	1,276
TOTAL ADJUSTMENTS	(2,265)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	451
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(2,450)
Proceeds from sales of property and equipment	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(2,450)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from additional paid in capital	-
Proceeds (payment) of long-term debts	(3,831)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(3,831)
NET INCREASE (DECREASE) IN CASH	(5,830)
CASH - BEGINNING OF THE YEAR	8,490
CASH - END OF THE YEAR	$ 2,660
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:	
Interest paid	$ -
Income Tax paid	$ -

The Accompanying Notes are an integral part of these financial statements.

NOTE 1 - GENERAL

Golden State University (GSU) is a California corporation that was formed on June 23, 2008 and is located in Downey, California.
The GSU is a vocational school that is specialized in acupuncture and oriental medicine.
With educational courses of traditional Chinese medicine integrated with western medical technology, the GSU parepares students for a career as healthcare providers and develops their intellectual and analytical abilities. It also provides job opportunities and an academic environment for faculty to further their studies in their respected fields and an institution of healthcare education.
The GSU provides a clinical center to the community and will offer internships to students.
The Institution received initial approval to grant degrees from the former Bureau of Private Postsecondary and Vocational Education (BPPVE) in April 2006 and has applied to and been waiting for the approval from the Bureau for Private Postsecondary Education (BPPE).

The courses are listed as follows:

Master of Science in Asian Medicine
Continuing Education training for licensed acupuncturists

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Institution have been prepared on the accrual basis of accountings and accordingly reflect all significant receivable, payables, and other liabilities.

Property and Equipment

Properties and equipment are recorded at cost and depreciated using double declining balance method over estimated useful lives of 10 years.
Maintenance and repairs are charged to operations when incurred. Betterments and renewals that extend the useful lives of property and equipment are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are reduced, and any gain or loss is included in operations. Depreciation expense amounted $2,000 for the year ended December 31, 2010.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosed in the accompanying notes. Actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuition Receivable & Allowance for Doubtful Accounts

Tuition receivable represent amounts due for tuition and fees from currently enrolled and former students. Tuition receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probalbe uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on past experience which is 5% of its outstanding receivables that will become uncollectible without identifying specific accounts. It is referred to as balance sheet approach or the percentage of receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to tuition receivable. The allowance for doubtful accounts was $411 at December 31, 2010 and bad debt expenses was $411 for the year ended December 31, 2010. Changes in the valuation allowance have not been material to the financial statements.

Credit Risk

Financial instruments which potentially subject the Institution to concentrations of credit risk consist principally of cash and receivables. The Institution places cash in high credit quality financial institutions, which limits the amount of credit exposure. Concentrations of risk with respect to receivables is limited due to the diversity of the population of students. The Institution's management does not believe significant credit risks at December 31, 2010.

Revenue Recognition

Revenue and expenses are recorded on the accrual basis. Revenue received for future education instruction is deferred until the applicable term.

Income Taxes

The Institution uses the asset and liability method of accounting g for income taxes. Under this this method, deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

NOTE 3 - CASH

Cash consists of the following:

		2010
Cash in bank - Bank of America - Checking	$	(3,652)
Cash in bank - Bank of America - Savings		1,020
Cash on hand		5,292
Total	$	2,660

NOTE 4 - TUITION RECEIVABLE - NET

Tuition receivable is stated at estimated realizable value net of an allowance for doubtful accounts.

		2010
Tuition receivable	$	8,211
Less allowance for doubtful account		(411)
Total - net	$	7,800

NOTE 5 - PROPERTY AND EQUIPMENT - NET

Property and equipment consists of the following:

		2010
Furniture and Equipment	$	20,000
Less: Accumulated depreciation		(2,000)
Total	$	18,000

NOTE 6 - DEPOSITS

Deposits consists of the following:

		2010
Security Deposits - See Note 7	$	2,916
Total	$	2,916

NOTE 7 - OPERATING LEASE COMMITMENTS

The GSU has entered three lease agreements.

A four-year lease agreement was made with Arrington Square Partnership, commencing on September 1, 2008 for real property, located at 9047 Florenc Ave. #L, Downey, California with security deposit of $1,648 and a monthly rental payment of $1,648.

A one-year lease agreement was made with Arrington Square Partnership, commencing on November 1, 2010 for real property, located at 9047 Florence Ave. #F, Downey, California with security deposit of $1,268 and a monthly rental payment is $1,268.

A month to month lease agreement was made with Arrington Square Partnership after a two-year lease agreement that was ended on October 31, 2010 with a monthly rental payment of $805. There will be another six-month lease agreement that will be commencing on January 1, 2011 for real property located at 9047 Florence Ave. #E, Downey, California with a monthly rental payment of $650.

Total rental expenses for the year ended December 31, 2010 was $35,994.

NOTE 7 - OPERATING LEASE COMMITMENTS (CONTINUED)

Future minimum lease payments at December 31, 2010, are as follows:

Year Ended December 31,	
2011	36,356
2012	13,184
Total	$ 49,540

SUPPLEMENTARY INFORMATION

GOLDEN STATE UNIVERSITY, INC.

SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

OPERATING EXPENSES	2010	
Advertising & Marketing	$ 1,645	1.7%
Automobile expense	815	0.9%
Bad debts	411	0.4%
Bank service charge	1,706	1.8%
Depreciation	2,000	2.1%
Dues and subscriptions	2,310	2.4%
Insurance	1,488	1.6%
Meal and entertainment	92	0.1%
Merchant fees	627	0.7%
Office expense	3,114	3.3%
Outside service	23,455	24.7%
Postage and delivery	21	0.0%
Professional service	800	0.8%
Rent	35,994	37.9%
Repair & Maintenance	1,937	2.0%
Seminar	2,560	2.7%
Supplies	4,066	4.3%
Taxes & licenses	2,885	3.0%
Telephone	6,487	6.8%
Travel	619	0.7%
Utilities	1,973	2.1%
TOTAL	**$ 95,005**	**100.0%**

The Accompanying Notes are integral part of these financial statements.

STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

STATE AND CONSUMER SERVICES AGENCY • GOVERNOR EDMUND G. BROWN JR.

DEPARTMENTAL POLICY

TITLE	**Participation in Examination Development Workshops**		
POLICY OWNER	Office of Professional Examination Services (OPES)		
POLICY NUMBER	OPES 11-01	**SUPERSEDES**	New
ISSUE DATE	March 1, 2011	**EFFECTIVE**	IMMEDIATLEY
DISTRIBUTE TO	All Executive Officers, Bureau Chiefs, Division Chiefs, and Executive Staff		
ORIGINAL APPROVED BY	Brian J. Stiger, Acting Director Department of Consumer Affairs		
PAGE	1 of 3	**ATTACHMENT**	None

POLICY
It is the policy of the Department of Consumer Affairs (DCA) that board members, committee members, and instructors not serve as expert consultants in the licensure examination development process.

APPLICABILITY
This policy applies to all employees, governmental officials, consultants, and temporary staff of DCA; and any of its divisions, bureaus, boards, committees and other constituent agencies. Within this policy, the generic acronym "DCA" applies to all of these entities.

PURPOSE
The purpose of this policy is to set forth the restrictions and principles related to participation in the licensure examination development process.

A licensure examination serves a regulatory purpose by ensuring that each candidate who successfully passes an examination for a given profession is qualified to practice in that profession.

Expert consultants are essential to the development of licensure examinations. Their participation ensures that the examinations accurately assess whether candidates possess the minimally acceptable knowledge, skills, and abilities necessary to perform tasks on the job safely and competently. Therefore, the selection of expert consultants by boards, bureaus, and committees critically affects the quality and defensibility of their licensure examinations.

AUTHORITY
Business and Professions (B&P) Code sections 101.6, 123, and 139.

DEFINITIONS

For purposes of this policy, the following definitions apply:

Board members are defined as people who are appointed to a regulatory board, commissioners, exam committee members, and/or other committee members appointed to serve in an advisory capacity to a board or bureau within the statutory authority of the Director of the Department of Consumer Affairs.

An **instructor** is defined as any teacher, trainer, mentor, or other person engaged in formal or informal instruction to candidates for licensure in a profession AND who has a personal and/or financial interest in increased pass rates for his or her student(s) and/or the training institution for which he/she is employed.

An **expert consultant** is defined as a person whose services are retained for, among other tasks, developing, but not proctoring, professional licensing examinations. An expert consultant is a person who actively works in the target profession, has a current license in good standing by the State of California, meets established selection requirements, and is able to articulate specialized technical knowledge related to their profession. In licensure examination development work, expert consultants are referred to as Subject Matter Experts.

PROVISIONS

Due to potential conflict of interest, undue influence, and/or security considerations, board members, and instructors, as defined above, shall not serve as expert consultants for, nor participate in, any aspect of licensure examination development or administration.

In consultation with the relevant board(s); licensure examination developers will determine any exceptions on a case-by-case basis. For instructor participation in examination development workshops, those exceptions will be based on, but not limited to, the following factors:

- Number of hours spent as a licensee relative to the number of hours spent as an instructor;
- Size of the pool of qualified licensees available to attend workshops;
- Availability of licensees for attending workshops; and
- Existence of a licensing/accrediting relationship between the board, bureau, or committee and training schools.

VIOLATIONS

With the concurrence of the relevant board(s) and the approval of management, licensure examination developers will dismiss any expert consultant selected by any board, bureau, or committee who does not meet the provisions of this policy.

REVISIONS

For questions regarding revisions to this policy, please contact OPES at (916) 575-7240. Specific questions regarding the status or maintenance of this policy should be directed to the Division of Legislative and Policy Review at (916) 574-7800.