
SENATE COMMITTEE ON BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT

Senator Dr. Aisha Wahab, Chair
2025 - 2026 Regular

Bill No: AB 2773 **Hearing Date:** June 29, 2026
Author: Committee on Business and Professions
Version: April 22, 2026
Urgency: No **Fiscal:** Yes
Consultant: Yeaphana La Marr

Subject: California Board of Occupational Therapy: licensing: fees

SUMMARY: Extends the sunset date of the California Board of Occupational Therapy (CBOT or Board) to January 1, 2031, and makes statutory improvements and policy reforms in response to issues raised during the Board's sunset review oversight.

Existing law:

- 1) Provides for the regulation of veterinary medicine under the Occupational Therapy Practice Act (Act), which outlines the licensure requirements, scope of practice, and responsibilities of individuals practicing occupational therapy in the state. (Business and Professions Code (BPC) §§ 2570 *et seq.*)
- 2) Establishes the Board within the Department of Consumer Affairs (DCA), responsible for enforcing the Act, and regulating occupational therapists (OTs) and occupational therapy assistants (OTAs) until January 1, 2026. (BPC § 2570.19)
- 3) Requires the Board to meet and hold at least one regular meeting annually in the Cities of Sacramento, Los Angeles, and San Francisco. (BPC § 2570.19(g))
- 4) Authorizes the following persons to practice occupational therapy:
 - a) Any person licensed or otherwise recognized in this state by any other law or regulation when that person is engaged in the profession or occupation for which he or she is licensed or otherwise recognized;
 - b) Any person pursuing a supervised course of study leading to a degree or certificate in occupational therapy at an accredited educational program, if the person is designated by a title that clearly indicates his or her status as a student or trainee; and
 - c) Any person fulfilling the supervised fieldwork experience requirements of their educational program. (BPC § 2570.4)
- 5) Requires that applicants for licensure as an OT or OTA meet specified requirements, including that the applicant:
 - a) Has successfully completed the academic requirements of an educational program for OTs or OTAs that is approved by the CBOT and accredited by the American Occupational Therapy Association's Accreditation Council for

Occupational Therapy Education (ACOTE), or as otherwise specified, and

- b) Has successfully completed a period of supervised fieldwork experience approved by the CBOT and arranged by a recognized educational institution where he or she met their academic requirements. (BPC § 2570.6)
- 6) Requires the CBOT to establish the following fees:
- a) A licensing and renewal fee not to exceed \$150 a year;
 - b) An application fee not to exceed \$50;
 - c) A limited permit fee;
 - d) A fee to collect fingerprints for criminal history record checks, not to exceed the amount charged by the agency providing the record check; and
 - e) A fee to query the National Practitioner Data Bank for applicants for licensure and renewal of licensure, not to exceed the amount charged per query. (BPC § 2570.16)

This bill:

- 1) Requires that the limited permit fee not exceed \$125.
- 2) Establishes the following additional fees:
 - a) A pocket card fee not to exceed \$50,
 - b) A duplicate wall certificate fee not to exceed \$50, and
 - c) A fee for a letter of good standing, endorsements, or verification of licensure not to exceed \$50.
- 3) Specifies that supervised fieldwork requirements for licensure must be arranged by an ACOTE-accredited institution.
- 4) Authorizes any person completing a supervised entry-level doctoral capstone experience to practice occupational therapy, so long the practice constitutes a part of the experience necessary to meet their doctoral requirements.
- 5) Requires that applicants for licensure successfully complete a supervised entry-level doctoral capstone experience arranged by an ACOTE-accredited educational institution where the applicant has met their academic requirements.
- 6) On or before July 1, 2027, requires applicants and licensees to provide a current email address to the CBOT if they have one, and to notify the CBOT of any changes to their email address within 30 days; requires the CBOT to remind licensees of their obligation to report their email address with each renewal application.

- 7) Requires the Board to meet at least three times a year, meeting at least once each calendar year in northern California and once in southern California.

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel. According to the Assembly Committee on Appropriations, this bill would result in annual costs of approximately \$4.4 million in fiscal year (FY) 2026-27 and ongoing to extend the operation of the Board. If the Board raises fees to their statutory limits, which will require the Board to promulgate regulations, revenues will increase by up to \$23,000 per year. The Office of Information Services estimates absorbable information technology costs of \$2,000 to implement a mandatory field within the online licensing and enforcement system to add licensees' email addresses.

COMMENTS:

1. **Purpose.** This bill is the sunset review vehicle for the CBOT, authored by the Assembly Business and Professions Committee. The bill extends the sunset date for the Board and enacts technical changes, statutory improvements, and policy reforms in response to issues raised during the Board's sunset review process. This is one of five sunset bills authored by the Assembly Committee on Business and Professions.
2. **Oversight Hearings and Sunset Review of Licensing Boards and Programs.** In March 2026, the Senate Business, Professions and Economic Development Committee and the Assembly Committee on Business and Professions (Committees) began their comprehensive sunset review oversight of ten regulatory entities, including CBOT. The Committees conducted three oversight hearings. This bill and the accompanying sunset bills are intended to implement legislative changes as recommended by staff of the Committees, and which are reflected in the Background Papers prepared by Committee staff for each agency and program reviewed this year.
3. **Background on CBOT.** The Board protects the health and safety of California consumers through licensing and regulating Occupational Therapists and Occupational Therapist Assistants. Occupational therapy is the use of goal-directed activities (or "occupations") to support client participation, performance, and function at home, school, the workplace, and in other settings. Occupational therapy services are provided for habilitation, rehabilitation, and the promotion of health and wellness for clients with disability- and non-disability-related needs or to those who have, or are at risk of developing, health conditions that limit activity or cause participation restrictions. Common situations include helping children with disabilities to participate fully in school and develop social skills, helping people recovering from injury to regain function through retraining or adaptations, and providing support for older adults experiencing physical and cognitive changes.

While an OT performs comprehensive assessments and establishes the therapeutic plan of care, services may then be delivered either directly by the OT or with the assistance of an OTA under appropriate supervision. The OT retains overall responsibility for clinical decision-making, modification of treatment plans, and ensuring that services are delivered in a manner consistent with law and professional standards.

The Board ensures applicants qualify for licensure by successfully completing specified academic requirements and supervised fieldwork experience relevant to the license to which they are applying, as well as passing the applicable entry-level certification examination. There are approximately 18,000 OT licensees and 4,400 OTA licensees.

4. **Sunset Review Oversight of the Board.** The Board was last reviewed as part of the comprehensive sunset oversight review program in 2022. Following are select issues pertaining to CBOT, along with background information concerning the particular issue:

- a) **Sunset Issue #1: Fee Authority.**

Background: The Board is an entirely special funded entity and does not receive appropriations from the state's General Fund. The Board generates revenue from the fees associated with licensing occupational therapists and occupational therapy assistants, including application fees, initial licensure fees, biennial renewal fees, and fines for citations related to violations of the Act. Notably, the Board's fee authority has remained largely unchanged since the passage of the Act in 2000, which states "initial license and renewal fees shall be established by the board in an amount that does not exceed a ceiling of one hundred fifty dollars (\$150) per year". In other words, the Board has been limited to a statutory maximum of \$300 for each biennial license renewal since 2001. While the Board has been granted authority in previous sunset reviews to charge additional, smaller fees—such as a \$50 application fee, a \$25 retired licensee fee, and negligible fees for cost recovery related to criminal history and national practitioner data retrieval, their renewal authority has remained unchanged.

To fully address the fund imbalance and prepare for the future, the Board sought changes to the statutory maximums for some fees. However, since the CBOT Sunset Report was submitted, the Board's fund reserve projections were updated and found to be healthier than originally projected. Therefore, the Board's proposal to increase renewal, application, and advanced practice application fees is no longer necessary. Smaller incidental fees are still necessary to offset work associated with the services, such as those to generate duplicate licenses, license verifications, pocket cards, and other incidental services provided by the Board.

Recommendation and Proposed Statutory Change: The Board should keep the Committees apprised as the proposed regulatory package to increase renewal fees is finalized. The Board should inform the Committees of specific incidental services that have insufficient fees to cover the cost of administration, and recommend statutory language to the Committees for consideration.

This bill establishes the requested fee authority for incidental services provided by the CBOT, including a pocket license fee, a duplicate wall certificate fee, and a fee for obtaining a letter of good standing, endorsements, or license verification from the Board. The bill would cap these fees at \$50 annually, and additionally would cap the limited permit fee, which is currently uncapped, at \$125 annually.

b) Sunset Issue #9: Doctoral Capstone Experience.

Background: A Doctor of Occupational Therapy (OTD) is an advanced, doctoral-level degree offered to prospective OTs, or as a post-professional program to OTs who want to obtain additional education. Beyond a more comprehensive education curriculum that includes content on clinical leadership and certain specialized practices, OTD programs also include a mandatory “Doctoral Capstone Project” at the end of their study. This individual project, which ACOTE mandates must be at least 14 weeks in duration, allows students to relate theory and research they learn in their coursework to real-life practice, and synthesize in-depth knowledge in a specific area of interest within occupational therapy.

Capstone projects are developed through collaboration between the student, a doctoral-level faculty member, and a content expert. Prior to commencing the project, students must complete extensive preparation with their academic mentor, including a literature review, needs assessment, and defined project goal. Upon completion, students must disseminate their project and undergo a formal objective evaluation of their performance.

A key finding in the Board’s 2019 OTA Workforce Study, conducted alongside California Community Colleges Centers of Excellence for Labor Market Research, was that “of the OTAs surveyed, many expressed interest in pursuing higher education to advance in the field of occupational therapy”. It is therefore plausible that doctoral capstone projects as part of OT educational fieldwork, particularly conducted in post-professional programs, will increase.

On pages 83 and 84 of the CBOT 2026 sunset report, the Board requested amendments to statute that recognize the role of doctoral capstone projects in the occupational therapy workforce, and that clearly allow students to count doctoral capstone experience toward their required supervised clinical hours for licensure.

Recommendation and Proposed Statutory Change: The Board should provide the Committees with any data regarding how many licensees possess an OTD degree and provide further recommendations to recognize and/or support doctoral capstone projects, if there are any.

This bill enacts statutory revisions to BPC § 2570.4 and BPC § 2570.6 to recognize doctoral capstone experience as a pathway for satisfying the fieldwork requirements for OT licensure, as recommended in the CBOT’s 2026 Sunset Review Report.

c) Sunset Issue #10: Licensee Emails.

Background: Several other DCA boards, including the Board of Behavioral Sciences, Medical Board, Dental Board, Physical Therapy Board, and Psychology Board, have added requirements to their laws that applicants, registrants, and licensees provide their respective board with a current email address if they possess one.

In its 2026 Sunset Review Report, the Board contends that such a requirement would be useful for its administration of licensees, as well as it would allow them to proactively communicate information about law changes, upcoming Board meetings, or other important updates to most of its licensee and registrant population. Currently, the Board relies on email subscription lists (i.e., a Listserv) or posting on social media pages to communicate to the licensed population.

Recommendation and Proposed Statutory Change: The Board should provide the Committees with language to mandate that licensees provide the Board with a current email address.

This bill adds Section 2570.40 to the BPC, which requires that current licensees and applicants who possess an email address provide it to the CBOT no later than July 1, 2027, and further requires that licensees and applicants update their email information no later than 30 calendar days after a change occurs.

d) Sunset Issue #11: Technical Cleanup.

Background. As the occupational therapy profession continues to evolve and the Legislature enacts new laws affecting the Practice Act, many provisions of statute become outdated, duplicative or superfluous. The Board has identified a few minor, necessary statutory revisions, such as the need to update requirements regarding meeting frequency and location, an issue identified on Page 85 of their sunset report. The Board should recommend any additional cleanup amendments that can be enacted during this sunset review process beyond administrative changes already highlighted above.

Recommendation and Proposed Statutory Change: The Board should work with the Committees to enact any technical changes to the Business and Professions Code necessary to clarify language, improve efficiency and remove unnecessary statutes, and that have not otherwise been raised in this background paper.

This bill specifies that the CBOT shall meet at least three times a year, with at least one meeting per-calendar-year in northern California and one per-calendar-year in southern California. This recommendation was included in the CBOT's 2026 Sunset Review Report.

e) Sunset Issue #12: Continuation of the Board.

Background. The health, safety, and welfare of consumers is protected by a well-regulated occupational therapy profession. Although the Board is facing an increased enforcement workload and a greater licensee population since the last sunset review, the Board has displayed a strong commitment to improve overall efficiency and effectiveness in operations, and has been responsive to inquiries from the Committees regarding current funding and administration. While outstanding issues impacting the profession remain, such as those outlined in this background paper, the CBOT and its staff continue to actively work with the Committees to identify solutions.

Recommendation and Proposed Statutory Change: The practice of occupational therapy should continue to be regulated by the CBOT, and the Committees should continue to review the Board again on a future date to be determined.

This bill extends the CBOT's sunset date to January 1, 2031.

5. **Arguments in Support.** The California Board of Occupational Therapy writes, "AB 2773 extends the Board's sunset date to January 1, 2031, allowing continued oversight of occupational therapy licensees and continued protection of California consumers. The bill also makes important updates to the Occupational Therapy Practice Act to strengthen public protection, ensure educational quality, and improve administrative efficiency. Collectively, these changes will help CBOT continue to uphold high standards in occupational therapy education and practice, support applicants and licensees, and protect consumers through more efficient regulatory processes."

The Occupational Therapy Association of California writes, "OTAC supports CBOT's oversight of the occupational therapy profession and its mission to protect consumers. In addition to the extension of CBOT's sunset, OTAC is supportive of provisions in AB 2773 that impose limits on fees the Board may impose on practitioners for licensing documents. In capping the limited permit fee, this bill ensures that entry-level practitioners are not subject to unpredictable or excessive costs as they transition into the workforce. Establishing standardized fees for items such as pocket licenses, duplicate wall certificates, and letters of good standing further enhance transparency and consistency, allowing licensees to better anticipate and manage professional expenses. OTAC is also supportive of provisions within AB 2773 which require CBOT to collect licensee email addresses. This provision serves as a common-sense modernization that will improve communication, streamline administrative processes, and ensure timely dissemination of important regulatory updates. Finally, formally recognizing the doctoral capstone experience as part of an entry-level doctoral degree acknowledges the evolving standards of occupational therapy education and affirms the value of supervised clinical practice embedded within these programs."

SUPPORT AND OPPOSITION:

Support:

California Board of Occupational Therapy
Occupational Therapy Association of California

Opposition:

None received

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