



State of California
Health and Human Services Agency

Business Enterprises Program
721 Capital Mall Dr
Sacramento, CA 95814

January 29, 2010

To : All BEP Vendors

Pursuant to Welfare and Institution Code Section 19629 (b), the Business Enterprises Program (BEP) has determined the adjustment for the annual set-aside charge exemption for the 2010 calendar year.

“Section 19629 (b)

No set-aside funds shall be collected where the monthly proceeds are less than one thousand dollars (\$1,000). This amount shall be annually adjusted by the department to reflect changes in the cost of living. The average of the separate indices of cost of living for Los Angeles and San Francisco as published by the United States Bureau of Labor Statistics, shall be used as the basis for determining the change in the cost of living.”

The annual 2010 adjustment is based on the 2008-2009 fiscal year. The 2010 set-aside exemption will be \$1,686.00. This means during 2010 no fee will be assessed when the net income for your facility is below \$1,686.00 as reported on your Monthly Operating Reports (MORs) DR478. This exemption will begin on your January 2010 MOR that is due on February 25, 2010.

Please notify your accountant or bookkeeper of this change.

If you have any questions regarding this subject please call your BEC.

A handwritten signature in black ink that reads "Debra K Meyer".

Debra K. Meyer

Manager

CC: Deputy Director, Specialized Services Division
CVPC Executive Secretary
DOR Accounting Section
DOR Business Services
BEP Field Offices
BEP Training