

DEPARTMENT OF CONSUMER AFFAIRS BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

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BSIS STAFF REPORT

LICENSING UPDATE:

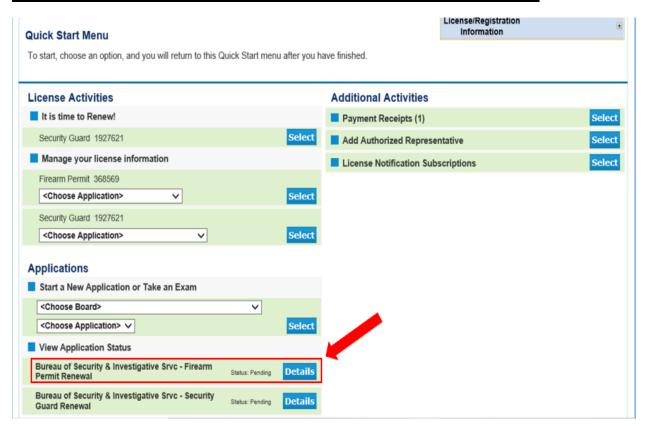
Effective June 23, 2021, the Program continued its partnership with Psychological Services Industries (PSI), to issue new photo identification cards for the following license types:

- Alarm Company Qualified Manager Certificate
- Alarm Company Employee Registration
- Locksmith Employee Registration
- Private Investigator Company License
- Repossessor Agent Registration
- Repossessor Qualifying Manager Certificate
- Security Guard Registration

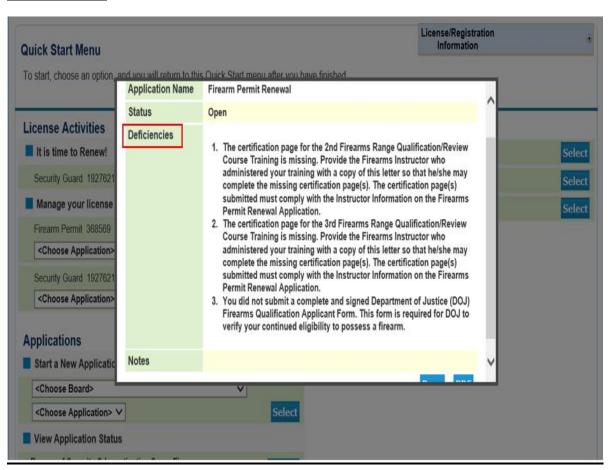
The new ID cards have our new shield logo, an updated professional design, and are made of durable plastic. Please note BSIS will honor the old ID previously issued if the licensee still has a current paper pocket card. More instructions on obtaining the new IDs cards are on our website.

BSIS is also pleased to announce that all firearm renewal applicants can now view on their BreEZe account any outstanding deficiencies that need to be corrected prior to renewal. The steps to show the status of an application are below.

Click on the Details box to view a Firearm Permit renewal application.



A popup box will be displayed and if an application is deficient, the deficiencies will be listed.



The Licensing Program (Program) management team and staff continue to encourage applying online instead of paper for faster processing. Applying online for initial applications is at 54% compared to paper at 46%. Applying for renewals online is at 66% compared to paper at 34%. The Program's efforts to promote online participation reflects in the data provided. However, we want to increase those percentages higher to issue our licenses faster to the applicants/licensees. The Program will continue to find ways to make it easier for applicants/licensees to apply online.

The Program also continues to increase information online to our licensees and applicants. For general licensing inquiries please email BSIS@dca.ca.gov The turnaround response time is 24 to 48 hours. Also, if you haven't already subscribed to our email subscription list please do so to ensure you get the latest updates regarding the Bureau. To subscribe, visit our webpage listed: https://www.bsis.ca.gov/webapps/esubscribe.php

 DISCUSSION POINT: Are you encouraging applicants to apply online? Why or why not? Have you heard any feedback about the process from applicants/licensees?

PROCESSING TIMEFRAMES / PERFORMANCE MEASURES:

The Program continues to meet our target goals to ensure licenses are issued promptly. For FY 20/21, the Program met 90% of its processing turnaround time target goals. Below are some statistics showing the processing turnaround time target goals.

		COMPLETE APPLICATIONS		INCOMPLETE APPLICATIONS		
License Type	Transaction Description	Target	Count	Processing Time	Count	Processing Time
Security Guard	Guard Initial Application	60	57,311	24	507	133
Firearm Permit	FQ Initial Application	75	7,198	144	468	213
Private Patrol Operator	PPO Initial Application	30	88	9	389	111
	PPO License Application	90	7	1	287	121
PPO Branch	PPB Initial Application	60	4	43	73	111
Training Facility Firearm	TFF Initial Application	90	0		28	165
Training Facility Baton	TFB Initial Application	90	0		14	142
Training Facility Firearm Instructor	TIF Initial Application	75	0		43	129

Training Facility Baton Instructor	TIB Initial Application	75	0		19	117
Private Patrol Qualified Manager	PPQ Exam Request		57	1	252	74
	PPQ Initial Application		6	239	210	181
Proprietary Private Security Officer	PSO Initial Application	60	1,178	47	5	212
Proprietary Private Security Officer Employer	PSE Initial Application	90	1	1	47	55
Alarm Company Employee	ACE Initial Application	60	4,032	35	32	197
Alarm	ACO Initial Application	30	0		95	70
Company Operator	ACO License Application	90	0		47	167
Alarm Company Branch	ACB Initial Application	60	14	25	19	165
Alarm Company	ACQ Exam Request		10	58	46	146
Qualified Manager	ACQ Initial Application	120	3	1	42	201
Locksmith Employee	LOC Initial Application	60	211	53	13	158
Locksmith Company	LCO Initial Application	90	1	4	168	109
Locksmith Company Branch	LCB Initial Application	60	3	27	14	50
Repossessor Agency Employee	RAE Initial Application	60	64	39	34	121
Repossessor Agency	RA Initial Application	120	1	100	35	71
Repossessor Agency	RAQ Exam Request		0		10	91
Qualified Manager	RAQ Initial Application	120	1	1	6	146
Private	PI Initial Application	30	36	3	275	85
Investigator	PI License Application	90	4	1	208	87

Private Investigator Branch	PIB Initial Application	60	23	81	8	59
Private Investigator Qualified Manager	PIQ Exam Request		188	1	35	107
	PIQ Initial Application		4	275	166	186

SUMMARY OF BREEZE CHANGES:

August 2020

Made the Firearm 'Submit Additional Documents' transaction required to upload attachments before applicants can proceed and submit. The system was allowing an applicant to submit this transaction without uploading the attachment and this was causing the applicant to submit multiple times if the attachment was forgotten the first time.

November 2020

Firearm Renewal transaction to open 120 days prior to expiration date instead of 90 days. With the COVID-19 pandemic and all the closures and changes, processing of paper applications was a bit of a challenge. The Bureau decided to allow licensees to submit their renewal applications earlier which gave the bureau more time to process the application before the firearm permit expired.

December 2020

Repossesser Agency (RA) license delinquency period extended to 10 years (AB 2759). Before AB 2759, RA licensees only had 3 years after the expiration date to renew their license before their license would be cancelled and no longer eligible for renewal. Now RA's have up to 10 years after the expiration date to renew before cancellation.

March - April 2021

Postcards. Courtesy renewal postcards for Security Guard, Alarm Company Employee, and Firearms Permit Renewals are now being sent with instructions to pay for the renewal online through BreEZe. Renewal application processing times for online payments are much faster than mail in applications. Please do not mail in the renewal postcards along with the payment.

June 2021

Applicants can now view their Firearm Renewal Deficiencies online. This will provide applicants with more information as to the status of their applications.

DISCUSSION POINT: What are you hearing from your constituency, if anything, about the Breeze platform?

LICENSING DATA FOR FY 2020-21:

License Type	Apps Received	Apps Approved	Licenses Renewed	Current Licensing Population
Security Guard	65,176	57,818	89,518	297,396
Firearm Permit	12,694	7,666	14,426	39,232
Baton Permit	2,947	3,411	N/A	34,448
Private Patrol Operator	658	294	1,158	2,492
PPO Branch	96	77	153	369
Training Facility Firearm	35	28	140	333
Training Facility Baton	22	14	66	164
Training Facility Firearm Instructor	73	43	237	612
Training Facility Baton Instructor	27	19	77	202
Proprietary Private Security Officer	1,916	1,183	1,500	6,046
Proprietary Private Security Officer Employer	145	48	256	564
Alarm Company Employee	4,640	4,064	4,195	16,824
Alarm Company Operator	120	47	833	1,727
Alarm Company Branch	40	33	93	264
Alarm Company Qualified Manager	56	45	824	1,791
Locksmith Employee	293	224	837	2,066
Locksmith Company	266	169	954	2,136
Locksmith Company Branch	23	17	12	61
Repossessor Agency Employee	127	98	200	552
Repossessor Agency	42	36	104	254
Repossessor Agency Qualified Manager	10	7	140	256
Private Investigator	344	212	3,604	7,896
Private Investigator Branch	31	31	61	162
Total	89,781	75,584	119,388	415,847

OUTREACH:

The Chief and both Deputy Chiefs are always happy to present at industry meetings or conferences. This year alone, we have presented at the Private Investigator conferences, the Alarm Association conferences, and the Security Guard conference. We encourage you to reach out and invite Bureau leadership to speak at your gatherings.

ENFORCEMENT UPDATE:

*Fiscal year-end numbers presented are still being finalized; these may change.

DATE REPORT ISSUED: July 22, 2021

ATTENTION: BSIS Advisory Committee

SUBJECT: Enforcement Program Summary STAFF CONTACT: Sam Stodolski, Deputy Chief

REQUESTED ACTION:

This report is intended to provide the members with an update on the Enforcement Program at BSIS.

DISCIPLINARY REVIEW UNIT (DRU)

The Disciplinary Review Unit (DRU) is comprised of two Associate Governmental Program Analysts (AGPA), two Staff Services Analysts (SSA), three Program Technician II's (PTII), one Office Technician (OT) and one Staff Services Manager I (SSMI). DRU staff receive and review all Criminal Offender Record Information (CORI) including rap sheets, subsequent arrest notifications, subsequent dispositions (conviction information) and firearm prohibits from the California Department of Justice (DOJ). In FY 20/21, DRU staff reviewed over 17,000 rap sheets, revoked 79 BSIS-issued firearm permits and suspended 390 licenses for criminal convictions. Application denials are as follows:

Denial Type	Total
Application Denials (criminal convictions)	1,878
Firearm Permit Denials (DOJ Prohibited)	517
Firearm Permit Denials (Failed Assessment)	1,253
Total Denials:	3, 648

 DISCUSSION POINT: <u>AB 2138</u> changed the Bureau's review process for criminal backgrounds. What are the implications of AB 2138 and "substantially related" regulations, and how we are applying them?

CASE MANAGEMENT (CM)

Case Management is comprised of four Associate Governmental Program Analysts (AGPA) who manage and facilitate all cases referred to the Attorney General's Office for appeals, denials and formal discipline. Case management analysts also monitor licensees who are placed on probation. In FY 20/21, case management referred 455 cases to the Attorney General's Office for handling and to date, there are approximately 412 BSIS cases still pending at the Attorney General's Office. Pending cases include

Accusations to revoke licenses, Statement of Issues denying a license, citation appeals, firearm revocation appeals and firearm assessment appeals.

DISCUSSION POINT: Firearms assessment appeals falls under this category.
 How does this impact all licensees, even though they may not need to take the assessment?

COMPLAINT INTAKE/COMPLAINT RESOLUTION

Complaint Intake and Complaint Resolution is comprised of three Staff Services Analysts (SSA), one Management Services Technician (MST), one Associate Governmental Program Analyst (AGPA) and one Staff Services Manager I (SSMI). Last quarter, the average number of days for Complaint Intake staff to initiate a complaint was 6 days from receipt. For FY 20/21, complaint resolution staff mediated nearly 518 consumer complaints, and handled 540 non-jurisdictional complaints.

ENFORCEMENT

The BSIS Enforcement Unit is comprised of ten Associate Governmental Program Analysts (AGPA), one Management Services Technician (MST), one Special Investigator and a Staff Services Manager I (SSMI). The AGPAs investigate complaints and conduct inspections of Bureau licensees. The average caseload for Enforcement AGPAs is 37 complaints and 23 active inspections. Last quarter, the average number of days to investigate a complaint from initiation to closure was 91 days. The Special Investigator was hired in April of 2021 and has begun working with other state agencies and law enforcement on BSIS investigations. For FY 20/21, nearly 40% of the citations issued by BSIS enforcement staff were for Unlicensed Activity.

ADMINISTRATIVE/POLICY/LEGISLATIVE UPDATE

Staffing Update:

The Bureau has 72.4 permanent full-time positions (in addition to temporary staff). The Bureau is at an 8% vacancy rate, which equates to 6 vacant positions. The Licensing Unit recently backfilled a Staff Services Manager I position, which oversees the Company Desks.

Budget Update:

The fund condition identifies the Bureau's fund reserve at 3.8 months at the end of fiscal year (FY) 20-21 and is projected to be at 1.9 months at the end of FY 21-22. At the end of FY 22-23, the Bureau will be at -0.3 months, which means the Bureau will be insolvent.

Table 1 - BSIS Fund Condition							
	CY 2020-21	Gov's Budget BY 2021-22	BY+1 2022-23	BY+2 2023-24			
Beginning Balance	\$8,396,000	\$6,004,000	\$3,049,000	-\$466,000			
Total Revenues & Transfers	\$15,507,000	\$15,830,000	\$15,775,000	\$15,775,000			
Expenditures	\$17,899,000	\$18,785,000	\$19,290,000	\$17,364,000			
Fund Balance	\$6,004,000	\$3,049,000	-\$466,000	-\$2,055,000			
Months in Reserves	3.8	1.9	-0.3	-1.4			

The Bureau was required to realize a five percent budget reduction in operation expenditures, effective July 1, 2021 (\$73,000). Accordingly, the Bureau reduced budget line items related to the Bureau's car and general expenses.

The Bureau submitted a Spring Finance Letter (SFL) to the Department of Finance (DOF), requesting an \$800,000 augmentation in fiscal year 2021-22 and ongoing to support increased Attorney General (AG) costs as a result of Senate Bill (SB) 1196 (Chapter 800, Statutes of 2016) requiring all firearm assessment appeals be referred to the AG's Office. DOF approved the Bureau's SFL on a two-year limited term.

As part of a long-term solution, SB 607 (Roth) will require firearm permit applicants to pass the assessment prior to applying and would clarify that an applicant that fails the assessment is not entitled to appeal the assessment results. This would result in significant AG cost savings.

• DISCUSSION POINT: The Bureau's budget is projected to be insolvent in +2 FYs. What are potential solutions?

Legislative Update:

1. AB 229 (Holden)

This bill:

- Expands the Power to Arrest (PTA) and training in the carrying and usage
 of firearms to include "appropriate use of force" training, effective January
 1, 2023. The Bureau will work with POST to develop the course outline.
- Makes "Weapons of Mass Destruction and Terrorism Awareness" an elective course only, effective January 1, 2023.
- Clarifies that an armed security guard must be an employee of a private patrol operator (PPO) or an employee of the state or a political subdivision thereof, effective January 1, 2022.
- Requires PPOs to submit a written report describing the circumstances of the discharge of any firearm or any altercation, as specified, including an altercation that resulted in any type of first aid or medical attention and any physical use of force while on duty, and clarifies the reports shall be submitted within seven business days, effective January 1, 2022.
- Authorizes the Bureau to deny, suspend, or revoke a license for any use of force in violation of standards prescribed by the bureau by regulation, effective January 1, 2023.
- Increases the fine amount for a violation of Business and Professions Code section 7583.2 (f) (submission of written report) from \$1,000 for the first violation and \$2,500 for subsequent violations to \$5,000.
- Authorizes, rather than requires, PPOs to provide a copy of the PTA training manual to their employees.
- DISCUSSION POINT: AB 229 is a significant piece of legislation for a large portion of our licensee base, and it will require a regulatory process involving our stakeholders and POST. What concerns do you think your licensees will want addressed?

2. AB 484 (Medina)

Current law requires an ACO to include their name and license number in any advertisement soliciting or advertising business. This bill would allow an ACO to direct potential customers to their online landing page for their name and license number for any radio, television, or billboard advertisement.

3. AB 515 (Chen)

Current law makes it a misdemeanor to commit a trespass by engaging in specified acts, including driving a vehicle upon property belonging to or occupied by another and known not to be open to the general public, without consent, except as specified. This bill would provide that the above-specified trespass provision does not apply to a repossession agency and its employees when they are on private property searching for or repossessing collateral, and, upon completing that search, leave the property immediately.

4. AB 913 (Smith)

This bill amends the definition of "deadly weapon," "legal owner," "personal effects," "private building," "repossession," and "violent act" in the Collateral Recovery Act, expands the registration exemption to repossession agency employees who engage in out-of-office skip tracing or drive a camera car, and allows repossession agencies to provide the notice of seizure and inventory to the debtor via email.

5. AB 1221 (Flora)

Current law specifies what must be included in a service contract, including the contract term. This bill specifies that a contract may be month-to-month or other periodic basis and continue until cancelled by the buyer or obligor and specifies additional information to be contained in such contract. Further, the bill specifies when a month-to-month/periodically based contract can be cancelled. (Applicability: Alarm contracts)

6. AB 358 (Flora)

Current law defines an "electrified security fence" and authorizes a property owner to install and operate an electrified security fence on their property, as specified. This bill would allow an "electrified security fence" to interface with a monitored alarm device in a way that would enable the alarm system to alert the business, monitoring service, or both, in response to an intrusion or burglary.

7. AB 830 (Flora)

This bill:

- Amends the definition of "alarm agent," "alarm system," and "alarm company operator" in the Alarm Company Act.
- Requires any application for a license, registration, certification, or permit to be submitted electronically, effective July 1, 2022.
- Clarifies that the Bureau cannot investigate, hear, or adjudicate violations of Business and Professions Code section 7592.9 regarding local use permits.
- Removes the requirement to submit a photograph with the personal identification form.
- Prohibits a firearms training instructor from self-certifying initial and renewal application requirements, specifying that they need to be completed another Bureau-certified instructor.
- Authorizes an ACE to carry on their person, while on duty, a digital copy of their registration or temporary application.
- Requires an alarm agreement/contract to include the name of the alarm agent who negotiated the agreement or, if working with a temporary registration, the application number in lieu of the registration number. This component of the agreement is not applicable if the agreement was not solicited or negotiated by an ACE.

- Authorizes the Bureau to automatically suspend a license if they are not in good standing with the Secretary of State (SOS) and/or the Franchise Tax Board (FTB). The bill authorizes a suspended license to apply for reinstatement with proof of good standing and the payment of a fee.
- Authorize the Bureau to charge a fee for a licensee who wishes to reinstate their license if it has been automatically suspended for failing to provide proof of insurance.

8. **SB 607 (Min and Roth)**

This bill:

- Requires DCA boards and bureaus to waive all fees charged by the board/bureau associated with the application and initial license for an applicant who: 1) supplies evidence that they are, or are married to or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in California, and 2) holds a current license in another state, district, or territory of the United States in the profession or vocation for which they seek licensure.
- Requires a firearms permit applicant to pass the firearm assessment for their application to be complete and clarifies that an applicant that fails the assessment is not entitled to appeal the assessment results.
- Requires a firearms permit applicant to pass the firearm assessment within the six months preceding the date the application is submitted to the Bureau.
- The bill allows an applicant who fails the assessment to complete another assessment no earlier than 180 days after the results of the previous assessment are provided to the Bureau.
- DISCUSSION POINT: This bill will alleviate the Bureau's assessment costs, but it is unknown to what degree. What other budgetary fixes should be considered?

9. AB 107 (Salas)

This bill requires DCA boards and bureaus to issue a temporary license to an applicant who meets specified requirements, including:

- They provide evidence they're married to, in a domestic partnership, or other legal union with an active duty member of the military who is assigned to a duty station in CA,
- They have a current, active, unrestricted license in good standing, that confers upon their authority to practice the profession for which they seek a temporary license from the board,
- They apply, as specified, and a set of fingerprints for a background check.

Update on Enacted or Pending Regulations

- 1. Substantial Relationship Criteria, Criteria for Evaluating Rehabilitation (AB 2138)
 - Sections 602 and 602.1 of Division 7 of Title 16 of the California Code of Regulations
 - Status Update: Approved by the Office of Administrative Law and filed with the Secretary of State on June 1, 2021. Effective June 1, 2021.
- 2. Section 100 (Clean up)
 - Status Update: Approved by the Office of Administrative Law and filed with the Secretary of State on March 18, 2021. Effective March 18, 2021.
- 3. Badge, Patch, and Cap Insignia Criteria New Sections to be added to Division 7 of Title 16 of the California Code of Regulations
- Private Investigator Fee Increase (SB 385) Section 639 of Division 7 of Title 16 of the California Code of Regulations
- 5. Firearms Qualification Card Training Section 632 of Division 7 of Title 16 of the California Code of regulations