

# **BSIS STAFF REPORT**

**August 2022**

## **LICENSING UPDATE**

### **LICENSING UPDATES**

The Bureau's Licensing Program recommends licensees include their email address on their BreZE account. BSIS is now sending emails to applicants/licensees when licenses are issued, renewed, and/or eligible for renewal. If the Committee has any recommendations on how to further enhance communication or enhance the application process, please let the Bureau know.

Please note that the coupon renewal books are not being sent out to the following license types: Security Guards, Firearm Permit, Private Security Officers, and Alarm Company Employees. These license types are only receiving the postcard renewal reminders in addition to an email reminder. This encourages licensees to renew online for faster processing.

Also, on the Firearm Permit applications the Bureau is noticing the Firearms Qualification Applicant (FQA) forms are not being filled out completely. The Bureau encourages licensees to make sure that form is filled out in its entirety.

### **LICENSING DATA COMPARING FISCAL YEAR 2020-21 TO FISCAL YEAR 2021-22**

See attached chart with relevant data on page 2.

## LICENSING DATA COMPARING FISCAL YEAR 2020-21 TO FISCAL YEAR 2021-22

License Type	FY 20-21 Apps Received	FY 21-22 Apps Received	Percentage Change	FY 20-21 Licenses Issued	FY 21-22 Licenses Issued	Percentage Change	FY 20-21 Licenses Renewed	FY 21-22 Licenses Renewed	Percentage Change	FY 20-21 License Population	FY 21-22 License Population	Percentage Change
Alarm Company Employee Registration	4,640	4,031	-13.13%	4,064	3,659	-9.97%	4,195	3,636	-13.33%	16,824	15,945	-5.22%
Alarm Company Operator	120	110	-8.33%	47	46	-2.13%	833	795	-4.56%	1,727	1,652	-4.34%
Alarm Company Operator Branch	40	21	-47.50%	33	13	-60.61%	93	124	33.33%	264	242	-8.33%
Alarm Company Qualified Manager	56	91	62.50%	45	34	-24.44%	824	856	3.88%	1,791	1,725	-3.69%
Baton Permit	2,947	4,476	51.88%	3,411	4,436	30.05%	N/A	N/A	N/A	34,448	35,434	2.86%
Firearm Permit	12,694	10,284	-18.99%	7,666	7,581	-1.11%	14,426	13,881	-3.78%	39,232	40,364	2.89%
Locksmith Company Operator	266	262	-1.50%	169	184	8.88%	954	906	-5.03%	2,136	2,127	-0.42%
Locksmith Employee Registration	293	275	-6.14%	224	226	0.89%	837	632	-24.49%	2,066	1,926	-6.78%
Locksmith Branch	23	8	-65.22%	17	5	-70.59%	12	19	58.33%	61	53	-13.11%
Private Investigator	344	326	-5.23%	212	139	-34.43%	3,604	3,469	-3.75%	7,896	7,252	-8.16%
Private Investigator Branch	31	27	-12.90%	31	15	-51.61%	61	53	-13.11%	162	153	-5.56%
Private Patrol Operator	658	688	4.56%	294	301	2.38%	1,158	1,187	2.50%	2,492	2,682	7.62%
Private Patrol Operator Branch	96	122	27.08%	77	78	1.30%	153	117	-23.53%	369	390	5.69%
Proprietary Private Security Employer	145	241	66.21%	48	112	133.33%	256	198	-22.66%	564	612	8.51%
Proprietary Private Security Officer	1,916	3,188	66.39%	1,183	2,340	97.80%	1,500	1,379	-8.07%	6,046	6,413	6.07%
Repossession Agency	42	30	-28.57%	36	13	-63.89%	104	108	3.85%	254	225	-11.42%
Repossession Agency Employee	127	126	-0.79%	98	103	5.10%	200	188	-6.00%	552	454	-17.75%
Repossession Agency Qualified Manager	10	35	250.00%	7	4	-42.86%	140	107	-23.57%	256	240	-6.25%
Security Guard	65,176	75,441	15.75%	57,818	65,586	13.44%	89,518	85,081	-4.96%	297,896	301,440	1.19%
Training Facility (Baton)	22	26	18.18%	14	15	7.14%	66	62	-6.06%	164	168	2.44%
Training Facility (Firearm)	35	33	-5.71%	28	25	-10.71%	140	139	-0.71%	333	342	2.70%
Training Instructor (Baton)	27	36	33.33%	19	14	-26.32%	77	87	12.99%	202	198	-1.98%
Training Instructor (Firearm)	73	74	1.37%	43	53	23.26%	237	262	10.55%	612	617	0.82%
<b>TOTAL</b>	<b>89,781</b>	<b>99,951</b>	<b>11.33%</b>	<b>75,584</b>	<b>84,982</b>	<b>12.43%</b>	<b>119,388</b>	<b>113,286</b>	<b>-5.11%</b>	<b>416,347</b>	<b>420,654</b>	<b>1.03%</b>

**LICENSING DATA FOR FY JULY 1, 2021 – JUNE 30, 2022:**

<b>License Type</b>	<b>Apps Received</b>	<b>Apps Approved</b>	<b>Apps Deficient</b>	<b>% of Deficient</b>
<b>Security Guard</b>	75,441	65,586	9,855	13.10%
<b>Firearm Permit</b>	10,284	7,581	2,703	26.28%
<b>Baton Permit</b>	4,476	4436	40	0.89%
<b>Private Patrol Operator</b>	688	301	387	56.25%
<b>PPO Branch</b>	122	78	44	36.07%
<b>Training Facility Firearm</b>	33	25	8	24.24%
<b>Training Facility Baton</b>	26	15	11	42.31%
<b>Training Facility Firearm Instructor</b>	74	53	21	28.38%
<b>Training Facility Baton Instructor</b>	36	14	11	42.31%
<b>Private Patrol Qualified Manager</b>	474	217	257	54.22%
<b>Proprietary Private Security Officer</b>	3,188	2,340	848	26.60%
<b>Proprietary Private Security Officer Employer</b>	241	112	129	53.53%
<b>Alarm Company Employee</b>	4,031	3,659	372	9.23%
<b>Alarm Company Operator</b>	110	46	64	58.18%
<b>Alarm Company Branch</b>	21	13	8	38.10%
<b>Alarm Company Qualified Manager</b>	91	34	57	62.64%
<b>Locksmith Employee</b>	275	226	49	17.82%
<b>Locksmith Company</b>	262	184	78	29.77%
<b>Locksmith Company Branch</b>	8	5	3	37.50%
<b>Repossessor Agency Employee</b>	126	103	23	18.25%
<b>Repossessor Agency</b>	30	13	17	56.67%
<b>Repossessor Agency Qualified Manager</b>	35	4	31	88.57%
<b>Private Investigator</b>	326	139	187	57.36%
<b>Private Investigator Branch</b>	27	15	12	44.44%
<b>Private Investigator Qualified Manager</b>	204	130	74	36.27%

## **SUMMARY OF BREEZE CHANGES**

### **February 2022**

New transaction to suspend a company license for not having an active entity status with the Secretary of State and/or Franchise Tax Board.

New reinstatement transaction to change a suspended Alarm Company License back to active after the bureau receives the new insurance policy.

Updated Alarm Company Employee renewal postcards to remove text instructions for submitting renewal by mail.

### **March 2022**

Added a courtesy email notification to licensees once their renewal application is approved. This email notification will only be sent to licensees with an email address on file.

### **April 2022**

Disabled the printing of the paper pocket license for Private Investigators.

Proprietary Private Security Officer licensees will begin to receive the courtesy renewal postcards instead of the courtesy renewal notices.

### **June 2022**

All sole proprietor company licenses will have the owners name show as an Alternate name. This allows the Web License Verification to associate the owner's name to the company license number when searching by an individual's personal name.

Added a courtesy email notification to remind licensees they are eligible for renewal. This email is sent out 60 days prior to the license expiration date and only to licensees with an email address on file.

## **ENFORCEMENT UPDATE**

### **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 IIs (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 prohibitions from the California Department of Justice (DOJ). Application denials to date are as follows:

<b>Denial Type (July 1, 2021 – June 30, 2022)</b>	<b>Total</b>
Application Denials (criminal convictions)	2,567
Firearm Permit Denials (DOJ Prohibited)	355
<b>Total Denials:</b>	<b>2,922</b>

### **CASE MANAGEMENT (CM)**

Case Management is comprised of four AGPAs who manage and facilitate all cases referred to the Attorney General's (AG) Office for appeals, denials, and formal discipline. Case management analysts also monitor licensees who are placed on probation. Cases currently pending include accusations to begin the process to revoke licenses, Statement of Issues denying a license, citation appeals, firearm revocation appeals, and firearm assessment appeals. To date there are 176 BSIS cases pending at the AG's Office, 55 of those cases are remaining firearm assessment appeals.

### **COMPLAINT INTAKE/COMPLAINT RESOLUTION**

Complaint Intake and Complaint Resolution is comprised of four SSAs, one Management Services Technician (MST), one AGPA and one SSMI. Currently, the average number of days for Complaint Intake staff to initiate a complaint is three days from receipt. Complaint Resolution staff currently have 789 pending cases, 546 of which are Incident Reports. Current fiscal year to date, staff have negotiated \$61,961 in savings for California consumers.

### **ENFORCEMENT**

The BSIS Enforcement Unit is comprised of eight AGPAs, one MST, two Special Investigators and an SSMI. The AGPAs investigate complaints and conduct inspections of Bureau licensees. The average caseload for Enforcement AGPAs is 48 complaints and 23 active inspections. Currently, the average number of days to investigate a complaint from initiation to closure is 106 days. Enforcement continues to be active in investigating allegations of unlicensed activity. To date, 26% of pending investigations are for unlicensed activity and 48% of the citations issued this fiscal year have been for unlicensed activity.

<b>Complaints FY21-22</b>		
Private Patrol Operator	1595	23%
Security Guard	703	40%
Alarm Company Operator	207	7%
Private Investigator	194	9%
Repossessor Agency	92	3%
Locksmith Company	71	3%
Proprietary Private Security Employer	40	1%
Training Facility Firearm	18	1%
Firearm Permit	15	7%
Proprietary Private Security Officer	14	1%
Alarm Company Employee	2	1%

<b>Unlicensed Activity Citations FY20-21</b>		
Private Patrol Operator	25	60%
Security Guard	6	14%
Alarm Company Operator	5	12%
Locksmith Company	2	5%
Private Investigator	2	5%

<b>Unlicensed Activity Citations FY21-22</b>		
Private Patrol Operator	28	68%
Security Guard	14	34%
Locksmith Company	3	7%
Private Investigator	3	7%
Alarm Company Operator	1	2%

## **POLICY AND ADMINISTRATION UPDATE**

### **STAFFING UPDATE**

The Bureau has 73.4 permanent full-time positions (in addition to temporary staff). As of August 1, 2022, the Bureau is at an 17.7% vacancy rate, which equates to 13 vacant positions. Management is working to fill all positions as soon as possible.

### **BUDGET UPDATE**

The fund condition identifies the Bureau's fund reserve at 4.2 months at the end of fiscal year (FY) 20-21 and is projected to be at 2.7 months at the end of FY 21-22 (final year end numbers are pending). At the end of FY 23-24, the Bureau will be at -0.1 months, which means the Bureau will be insolvent and would need to seek a fee increase prior to that date, depending upon actual expenditures over the next year.

<b>Table 1 - BSIS Fund Condition</b>				
	PY 2020-21	CY 2021-22	BY 2022-23	BY+2 2023-24
Beginning Balance	\$7,331,000	\$6,456,000	\$4,181,000	\$2,042,000
Total Revenues & Transfers	\$15,957,000	\$16,194,000	\$16,097,000	\$16,088,000
Expenditures	\$16,832,000	\$18,897,000	\$18,635,000	\$18,256,000
Fund Balance	\$6,456,000	\$4,181,000	\$2,042,000	-\$126,000
Months in Reserves	4.2	2.7	1.3	-0.1

## **LEGISLATIVE UPDATE**

### **2022 Legislation**

#### **1. [AB 2515 \(Holden\)](#)**

This law:

- Revises and recasts several provisions of law related to proprietary and private security officers and employers, particularly with regard to the registration of officers, imposition of fines for prohibited activities, and requirements related to obtaining a permit and carrying a baton.
- Requires a registered private security employer to deliver a written report, under specified circumstances, describing any physical altercation including, but not limited to, injuries or damages incurred, the identity of all participants, and whether a police investigation was conducted with a member of the public while on duty within seven business days after the incident.
- Exempts the guidebook created by BSIS on the exercise of the power to arrest and the appropriate use of force from the Administrative Procedures Act rulemaking process.
- Delays the operation of various provisions of law enacted by AB 229 (Holden, Ch. 697, Statutes of 2021) until July 1, 2023.

**Status update:** The bill is currently in the Senate Committee on Appropriations.

#### **2. [SB 1495 \(Committee on Business, Professions and Economic Development\)](#)**

This law:

- Requires private investigator licensees to report annually on and after March 1, 2023, any claim paid during the prior calendar year and requires the BSIS to create a form for that purpose; and would remove the requirement that the BSIS post a notice of the claim.
- Repeals the requirement that the expiration date of the license or certification of appropriate use of force course providers be included in the security guard registration application.
- Repeals the requirement that a security guard applicant pay a \$10 certification fee and instead requires the applicant to pay a fee as otherwise prescribed for the replacement of a certified firearms qualification card.
- Repeals the requirement that a licensed private patrol operator suspend a security guard from employment if the DCA director determines they may present an undue hazard to the public safety.



**Status update:** This bill is currently in the Assembly Committee on Appropriations.

### 3. [AB 1662 \(Gipson\)](#)

This law:

- Requires boards/bureaus within the Department of Consumer Affairs (DCA) to establish a process for prospective applicants to request a preapplication determination to ascertain whether their criminal history could be cause for a licensure application to be denied.
- Authorizes a board/bureau, with existing authority to require an applicant to provide a full set of fingerprints for background checks, to require prospective applicants who request a preapplication determination to provide the board fingerprints for purposes of conducting a criminal history record check as part of the preapplication determination.
- Specifies that a preapplication determination shall not constitute the denial or disqualification of an application.
- Provides that the board/bureau shall publish information regarding its process for preapplication determination on its website.
- Allows the board/bureau to charge a \$50 fee for a prospective applicant.
- Requires a board/bureau that determines a prospective applicant's criminal history could be cause for their completed application to be denied to provide them with: a summary of the criteria used to consider whether a crime is considered to be substantially related to the qualifications, functions, or duties of the business or profession the board/bureau regulates; the processes for the applicant to request a copy of their conviction history and to question the accuracy or completeness of the record; notice that the applicant would have the right to appeal the board's/bureau's decision; and any existing procedure the board/bureau has for the prospective applicant to challenge the decision or to request reconsideration following the denial of a completed application, including a copy of the criteria relating to rehabilitation.

**Status update:** This bill is currently in the Senate Committee on Appropriations.

### 4. [SB 1443 \(Roth\)](#)

This law:

- Extends the scheduled sunset review for several boards and bureaus within DCA, including BSIS, by one year, subjecting those entities to statutory repeal on January 1, 2025.

**Status update:** This bill is currently in the Assembly Committee on Appropriations.

## **UPDATE ON ENACTED OR PENDING REGULATIONS**

1. Implementation of AB 229 - Course of Firearm Training, Skills Training Course for Security Guards, and Skills Training Course for Proprietary Private Security Officers – Sections 635, 643, and 645 of Division 7 of Title 16 of the California Code of Regulations