



BSIS STAFF REPORT

April 2023

LICENSING UPDATE

LICENSING UNIT

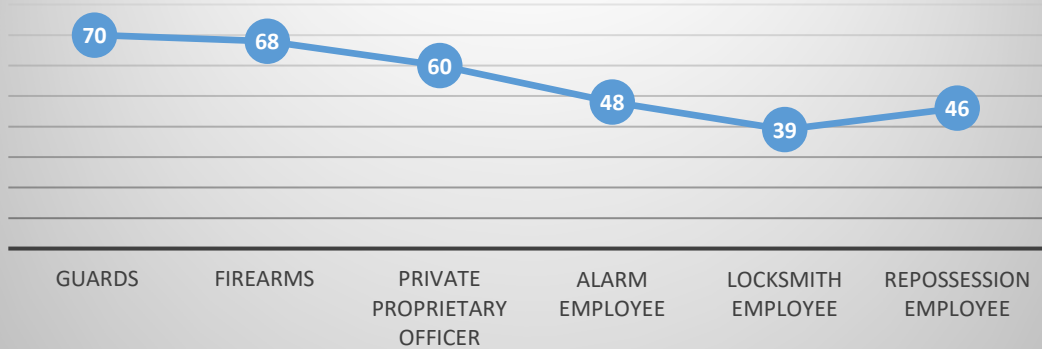
The Licensing Unit is pleased to announce two new managers. Robin Evans who oversees the Employee Licensing Applications unit and DeShawna Hornbuckle who oversees the Policy and Administration unit.

To date, the only license types that can renew earlier than 90 days and no later than 120 days prior to license expiration are the security guards and alarm company employees. As mentioned at the November 2022 advisory committee meeting, the Licensing Unit analyzed statistics to determine if it is beneficial to allow the remaining license types to renew earlier than 90 days.

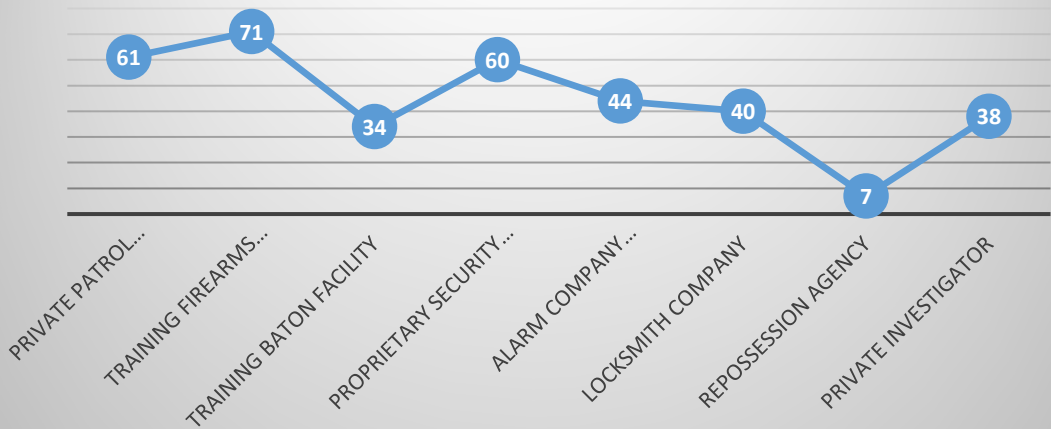
The statistics show that 11% of the security guards who were scheduled to renew between August 2022 through February 2023 applied earlier than 90 days. The alarm company employees' data shows that 10% of the licensees applied earlier than 90 days. Although only four months of statistics are available, it is enough to support and extend permitting online renewals earlier than 90 days for the rest of the license types. The goal is to get as many licensees as possible to renew earlier to avoid any delays and potential negative impact to their employment.

The Licensing Unit also analyzed how many license types are taking advantage of receiving communication by the Bureau via email. The findings are as follows:

Percent of Employee Licensees Utilizing Email Communication



Percent of Company Licensees Utilizing Email Communication



SUMMARY OF BREEZE CHANGES

- BreEZe Maintenance and Operations Ticket (BMO) 2290 –This BMO added a Proprietary Security Employer Notice of Suspension of License for failure to maintain good standing with the Secretary of State and/or Franchise Tax Board. Staff will be able to batch this letter in BreEZe, and then the print vendor will print and mail the letter via certified mail.
- BMO 2286 – This BMO added an Alarm Company Operator Notice of Suspension of License for failure to maintain good standing with the Secretary of State and/or Franchise Tax Board. Staff will be able to batch this letter in BreEZe, and then the print vendor will print and mail the letter via certified mail.
- BMO 2278 –This BMO added a Proprietary Security Employer Intent to Suspend the License letter for failure to maintain good standing with the Secretary of State and/or Franchise Tax Board. Staff will be able to batch this letter in BreEZe, and then the print vendor will print and mail the letter via certified mail.
- BMO 232 –This BMO is adding new logic to the governing rule to prevent a new application from being opened under an existing file number.

OUTREACH

In February, the Bureau sent an announcement to all its email subscribers reminding the Alarm Company Operator and Private Investigators Limited Liability Companies to submit their annual Insurance Claim Reporting Form no later than March 1, 2023.

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

Denial Type (July1, 2022-February 23, 2023)	Total
Application Denials (criminal convictions)	1674
Firearm Permit Denials (DOJ Prohibited)	142
Total Denials:	1807

CASE MANAGEMENT

Case Management is comprised of three 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 for revocation of a license, statement of issues for denial of a license, citation appeals, firearm revocation appeals, and firearm assessment appeals. To date there are 120 cases pending at the AG's Office; 13 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 two days from receipt. Complaint Resolution staff currently have 606 pending cases, 319 of which are Incident Reports. Current fiscal year to date, staff have negotiated \$66,582 in savings for California consumers.

ENFORCEMENT

The BSIS Enforcement Unit is comprised of eight AGPAs, one MST, two Special Investigators and one SSMI. The AGPAs investigate complaints and conduct inspections of Bureau licensees. The average caseload for Enforcement AGPAs is 58 complaints and 16 active inspections. Currently, the average number of days to investigate a complaint from initiation to closure is 83 days. Enforcement continues to be active in investigating allegations of unlicensed activity. To date, 41% of pending investigations are for unlicensed activity and 41% of the citations issued this fiscal year have been for unlicensed activity.

Complaints FY22-23		
(Totals do not equal 100%; these are the top 10 complaint categories)		
Private Patrol Operator	956	43%
Security Guard	653	30%
Alarm Company Operator	156	7%
Private Investigator	112	5%
Repossessor Agency	54	2%
Locksmith Company	49	2%
Proprietary Private Security Employer	27	1%
Training Facility Firearm	9	0.4%
Firearm Permit	38	2%
Proprietary Private Security Officer	9	0.4%
Alarm Company Employee	2	0.1%

Unlicensed Activity Citations	FY 21-22		FY 22-23 YTD	
(Totals do not equal 100%; these are the top complaint categories)				
Private Patrol Operator	28	68%	38	60%
Security Guard	14	34%	19	30%
Alarm Company Operator	3	7%	1	2%
Locksmith Company	3	7%	1	2%
Private Investigator	1	2%	1	2%

POLICY AND ADMINISTRATION UPDATE

STAFFING UPDATE

The Bureau has 73.4 permanent full-time positions (in addition to temporary staff). As of March 1, 2023, the Bureau has a 19% vacancy rate, which equates to 14 vacant positions. Management is working to fill all positions as soon as possible.

BUDGET UPDATE

The fund condition below identifies the Bureau's fund reserve at 3.6 months at the end of fiscal year (FY) 21-22 and is projected to be at 3.3 months at the end of FY 22-23. By the end of FY 24-25 the Bureau is projected to be at just .5 months.

Table 1 - BSIS Fund Condition				
	PY 2021-22	CY 2022-23	BY 2023-24	BY+2 2024-25
Beginning Balance	\$6,964,000	\$5,036,000	\$5,192,000	\$3,265,000
Total Revenues & Transfers	\$15,647,000	\$16,846,000	\$17,064,00	\$17,046,00
Expenditures	\$17,575,000	\$16,690,000	\$18,991,000	\$19,522,000
Fund Balance	\$5,036,000	\$5,192,000	\$3,265,000	\$789,000
Months in Reserves	3.6	3.3	2.0	.5

LEGISLATIVE UPDATE

2023 Legislation

1. [Assembly Bill \(AB\) 1244 \(Holden\)](#)

1) This law:

- Requires a qualified manager under the act to hold a current and valid qualified manager's certificate issued by the director and would require the director to issue a qualified manager's certificate to a person who meets the requirements of the act, as applicable.
- Establishes requirements for renewing a qualified manager certificate, and would establish application, examination, renewal, and delinquency fees for a qualified manager certificate, which would be deposited in the Private Security Services Fund.
- Requires branch office certificates and qualified manager certificates to be posted in a specified manner.
- Generates conforming and other non-substantive changes.

Status update: This bill was referred to the Assembly Business and Professions Committee on March 3

2022 Legislation

1. [Assembly Bill \(AB\) 2515 \(Holden\)](#)

This law:

- Revises and recasts several provisions of law related to proprietary and private security officers (PSO) and employers, particularly with regard to designating a responsible person, requiring PSOs to show their registration card to any peace officer or bureau representative upon demand, retention of records, and imposition of fines for prohibited activities.
- Requires a registered private security employer to deliver a written report within seven business days after the incident, 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.
- Requires baton permits to be issued by the Bureau instead of baton training facilities, and requires said permits to be renewed and applicants

for renewal to take a refresher course of training as a condition for renewal.

- Clarifies that PSOs may not carry a firearm or any other deadly weapon, including any electronic control device, stun gun, baton, or any chemical agent, including pepper spray.
- Exempts the Powers to Arrest and Appropriate Use of Force Manual and the Firearms Manuals 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.

Please note that pursuant to Business and Professions Code (BPC) section 7582.1, a Private Patrol Operator (PPO) is a person or business, who, for any consideration whatsoever: agrees to furnish, or furnishes, a watchman, guard, patrolperson, or other person to protect persons or property or to prevent the theft, unlawful taking, loss, embezzlement, misappropriation, or concealment of any goods, wares, merchandise, money, bonds, stocks, notes, documents, papers, or property of any kind; or performs the service of a watchman, guard, patrolperson, or other person, for any of these purposes. There is nothing that would prohibit a PPO from employing guards or persons to carry out these functions directly for or on behalf of the PPO.

Status update: Signed by the Governor on September 13, 2022, Chapter 287.

2. [Senate Bill \(SB\) 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 Department of Consumer Affairs (DCA) director determines they may present an undue hazard to the public safety.

Status update: Signed by the Governor on September 23, 2022, Chapter 511.

3. [Senate Bill \(SB\) 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: Signed by the Governor on September 27, 2022, Chapter 625.

UPDATE ON ENACTED OR PENDING REGULATIONS

- Currently, Bureau staff is working on the regulations implementing the new Power to Arrest training requirements per AB 229 (Holden, Chapter 697, Statutes of 2021). New training requirements will be completed by July 1, 2023.
- AB 2515 (Holden, Chapter 257, Statutes of 2022) requires regulations on various provisions. Bureau staff is beginning the rulemaking process.
- Bureau staff is beginning the rulemaking process to increase fees across all license types in order to address upcoming budget shortfalls.