

SUPPLEMENT TO INITIAL STATEMENT OF REASONS

SPECIFIC PURPOSE AND NECESSITY

Proposed regulations 999.501 and 999.502 impose a \$300 fee on applicants for an initial license and applicants for a renewal license.

Under Business & Professions Code section 21642.5, the Department must charge a fee not to exceed \$300, except the fee may be increased at a rate not to exceed the California Consumer Price Index. The fees assessed must not be more than necessary to cover the reasonable regulatory costs to the Department for:

- Processing initial license applications,
- Processing renewal license applications, and
- Implementing, operating, and maintaining CAPSS.

The Department does not anticipate that the revenue generated by the fees will exceed the costs to implement, operate and maintain CAPSS.

Program Expenses

The Department costs to administer CAPSS in fiscal year 2018/2019 was approximately \$830,000 including personnel costs, equipment costs, and other operating expenses.

The following Department positions that are funded by license fees are:

Staff Position	Annual Salary
Information Technology Specialist	\$86,760
Information Technology Specialist	\$86,760
Criminal Identification Specialist II	\$51,240

With benefits, these positions cost approximately \$360,000 per year.

During fiscal years 2016/2017, 2017/2018, 2018/2019, the equipment costs and other operating expenses, not including personnel costs, were approximately \$512,000, \$440,000 and \$460,000.

Anticipated Revenues

The Department receives 1,800 to 2,000 initial and renewal license applications each year. With a fee of \$300 per application, the Department anticipates receiving \$540,000 to \$600,000 per year in revenue.