

Board of Forestry and Fire Protection

SUPPLEMENTAL STATEMENT OF REASONS

“LTO EDUCATION AND LIMITED LTO”

Title 14 California Code of Regulations

Division 1.5, Chapter 4

Subchapter 7, Article 1

The Board of Forestry and Fire Protection (Board) intends this Supplement to the Initial Statement of Reasons (ISOR) to reflect changes that have been made to the 45-Day proposed rule text and Initial Statement of Reasons, which was distributed on April 10, 2020.

SPECIFIC PURPOSE OF EACH ADOPTION, AMENDMENT OR REPEAL (pursuant to GOV § 11346.2(b)(1)) AND THE RATIONALE FOR THE AGENCY’S DETERMINATION THAT EACH ADOPTION, AMENDMENT OR REPEAL IS REASONABLY NECESSARY TO CARRY OUT THE PURPOSE(S) OF THE STATUTE(S) OR OTHER PROVISIONS OF LAW THAT THE ACTION IS IMPLEMENTING, INTERPRETING OR MAKING SPECIFIC AND TO ADDRESS THE PROBLEM FOR WHICH IT IS PROPOSED (pursuant to GOV §§ 11346.2(b)(1) and 11349(a) and 1 CCR § 10(b)).

Amend § 1025

The proposed amendment provides the schedule of fees which is required for all license types identified within regulation, as well as clarifies the shorthand designation for the applicable license types. The purpose of this amendment is to clarify this fee schedule to the regulated public and to clarify the applicability of the fees, as well as to clarify the fee schedule applicability related to the shorthand designations of the license types. This amendment is necessary in order to provide for a clear and fully-functional set of regulations surrounding the licensing of individuals to conduct timber operations pursuant to the Z’Berg-Nejedly Forest Practice Act of 1973 (Forest Practice Act).

ECONOMIC IMPACT ANALYSIS (pursuant to GOV § 11346.3(b)(1)(A)-(D) and provided pursuant to 11346.3(a)(3)) and FISCAL IMPACT (pursuant to GOV § 11346.5(a)(6))

Though the amendment clarifies the fee for a “Restricted Timber Operator License”, or “C” license, this clarification is not a new imposition of fees on the regulated public. Under the licensing scheme outside of this proposed action, the exemption from the requirements of PRC § 4572(b)(2)(A) pursuant to PRC § 4572(b)(2)(B), were self-executing within statute, and Timber Operator Licenses pursuant to 14 CCR § 1022 were issued to those individuals who satisfied the exemption and other applicable requirements, including the fees identified in 14 CCR § 1025(a). However, as the proposed action has formalized the “Restricted Timber Operator License” within the regulations, it was necessary to clarify how the schedule of fees applied to that clarified portion of the regulation. The proposed action does not alter any of the monetary obligations for those individuals who had previously applied for a license and who satisfy the conditions of PRC § 4572(b)(2)(B), it merely clarifies those obligations in regulation.

Pursuant to PRC § 4572(a), the Board is required to establish reasonable fees for the filing of timber operator license applications, the amount of which must not exceed the amount necessary to administer the licensing article under the Forest Practice Act. As demonstrated below, the fees established to not exceed the amount necessary to administer such licensing.

The following table provides the expense and revenue of the timber operator licensing program over

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the course of the previous four fiscal years:

Fiscal Year	Total Revenues	Total Expenditures	Difference
2015 – 2016	\$63,523	\$117,067	-\$53,544
2016-2017	\$78,818	\$129,752	-\$50,934
2017-2018	\$86,455	\$113,185	-\$26,730
2018-2019	\$57,576	\$47,251	

It should be noted that both expenditures and revenue from 2019 likely increased, but are difficult to quantify due to issues with the reporting methods of the state, as well as a Staff Services Analyst position becoming vacant, which resulted in those duties being handled by a Forester II and Forester III. It is estimated that 45% of the Forester II and III's time during 2019 was spent in the service of administration of this program. A Forester II works at a reimbursement rate of \$107/hr and a Forester III works at the reimbursement rate of \$115.31/hr. Given this information, and with the assumption that a work year contains 12, 168-hour pay periods, the Forester classifications each spent approximately 900 hours in 2019 administering this program, for a cost of \$96,750 for the Forester II's time, and \$103,799 for the Forester III's time.

With these above described estimated additional costs, it is apparent that, for each fiscal year from 2015-2016, expenses for administering the program far outweigh the revenues for the program and are likely to continue to do so. The proposed action does not impose any additional or modified requirement which will alter these figures and will not have an impact on statutory compliance with PRC § 4572(a).

Finally, provided that the proposed action does not impose any additional or modified requirement which will alter expense or revenue for the state or the regulated public (aside from the increased cost of timber operator education program for first-time applicants which had previously been noticed and discussed on April 10, 2020), the proposed action will not have any economic or fiscal impact.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORT, OR SIMILAR DOCUMENT RELIED UPON (pursuant to GOV SECTION 11346.2(b)(3))

The Board of Forestry and Fire Protection relied on the following list of technical, theoretical, and/or empirical studies, reports or similar documents to develop the proposed action:

1. Limited Timber Operator Licensing Information 2015-2019, Unpublished Data, CAL FIRE, 2020.
2. Licensed Timber Operator Program Cost Analysis, Unpublished Data, CAL FIRE, 2020.