

SCIENTIFIC COLLECTING PERMITS STAFFING FISCAL ANALYSIS December 2016

PURPOSE

This fiscal analysis was prepared to document the relationship between permit fees for Scientific Collecting Permits (SCPs) and the costs of administering and enforcing Fish and Game Code (FGC) Sections 1002, 1002.5 and 1003 through regulations in Section 650, Title 14, California Code of Regulations (CCR). The code authorizes the California Department of Fish and Wildlife (Department) to adjust permit fees to recover, but not exceed, reasonable implementation and administrative costs. The purpose of this analysis is to inform decisions regarding proposed and future permit fees by evaluating:

- Current administration costs and workload for reviewing and issuing SCPs across several programs within the Department,
- Historical revenue generated from SCP fees, and
- Alternatives for cost recovery related to the proposed amendment of the current SCP regulations, with a recommended permit and fee structure.

Current SCP Process

FGC Sections 1002 and 1002.5 allow the Department to issue permits for the take or possession of wildlife for scientific, educational and propagation purposes. The Department issues SCPs to individuals, entities, and students conducting research, education, or propagation activities that involve the take of wildlife. The workflow from accepting and reviewing applications to issuing permits is distributed across many branches of the Department based on expertise with particular taxonomic groups, fee processing, and permit issuance. The interval between application submission and permit issuance has varied over the years, but in the past has exceeded 24 months. Declining funding for Department staff to process SCPs, combined with an outdated application intake, tracking and processing system has contributed to issuance delays and has impaired the ability of some applicants to plan research, conduct investigations, and compete for grants or contracts.

Currently, applicants or renewing permitholders download the appropriate forms from the Department's website, fill out and mail the forms with pertinent documents (e.g., copies of other required permits, qualifications, etc.), and the non-refundable application fee to the Special Permits Unit within the Department's License and Revenue Branch (LRB) for application intake. LRB processes payments, enters applicant information, scans the paper forms into the SCP Database, and assigns appropriate tracking identification numbers.

LRB then distributes or "routes" the application to the appropriate SCP "review program" within the Department for review of applications for completeness and content. SCP Review programs include taxonomic and geographic experts, program leads, and temporary Scientific Aides. The "Inland Fisheries" review program involves staff from the Fisheries Branch; the "Marine" review program involves staff in the Department's Marine Region (Region 7), and the "Terrestrial Wildlife" review program includes staff from the Game and Nongame Programs in the Wildlife Branch. All review programs rely to some extent on the species, taxonomic, or geographic expertise of regional biologists, who may be more familiar with specific populations in a given area, and who review the application and assist with drafting permit conditions. The target timeframe to allow for LRB processing, program review of the application for completeness, and to issue the approved permit is 90 calendar days (or less), per recent Departmental operating procedures. Once a permit is approved with conditions and restrictions by one or more review programs, LRB notifies the applicant by phone or email for payment of the permit issuance fee ("permit fee"). Upon processing of payment, LRB issues the permit by printing the approved and conditioned permit from the SCP Database, and mailing it to the applicant (now permitholder).

The Department's SCP process has been a fiscal challenge since the inception of the permit. No consolidated Department program had been developed for the administration of SCPs, so permanent staff reviewing and issuing those permits were paid out of other funding sources, or the work was performed by seasonal staff (in more recent history, temporary Scientific Aides). Even with the 2012 statutory changes (outlined below), which increased SCP permit fees, incoming revenues have been insufficient to support necessary staff dedicated to SCP administration. The work continues to rely heavily on temporary Scientific Aides. Scientific Aides are intensively trained and overseen by permanent staff; however, they are limited by law to a set number of days and hours they can work. This legal limitation contributes to delays in permit processing when temporary staff leave for permanent, or higher paying positions, and when new Scientific Aides must be hired and trained. Further, the three review programs and LRB's Special Permits Unit all operate independently to administer SCP application review, conditioning and issuance, without an overarching or supervisory "SCP program." Different concerns by each review program result in internal processes that are unique to each program and the taxa and methods that are permitted. The additional time needed for internal coordination and communication, can delay permit issuance. Lack of financial resources to employ adequate permanent staff has impaired the Department's ability to maintain continuity of institutional knowledge, and the independent implementation of multiple review programs has made development of consistent procedures across the review programs a challenge. Consequently, SCP implementation has rarely functioned optimally, and service to stakeholders and the public has fallen well short of the Department's preferred level of service.

Fee History

The proposed SCP fees under the current rulemaking are anticipated to reside in Section 703, Title 14, California Code of Regulations. The statutory authority for SCP fees from 1970-2016 is shown in **Table 1**, and is further detailed in Attachment 1.

Table 1. History of SCP Fee Adjustments as Enacted by the Legislature (1977-2009)

Year; Legislative actions/ authority	Individual (base) permit fee adjustment	Student SCP adjustment	Additional adjustments
1977; Chapter 353, Statutes of 1977, Section 3	\$10 from \$5	\$5 from \$1	
1986; Chapter 1368, Statutes of 1986, Section 5 (FGC 1002)	\$15 from \$10	\$8 from \$5	
1989; Chapter 1360, Statutes of 1989, Section 43 (FGC 1002)	\$30 from \$15	N/A	Established a Non-Resident SCP fee of \$100
<i>The base fee was adjusted annually per FGC Section 713 for implicit price deflator through 2012, where the last base fee was \$64.50 (Non-resident: \$216.25 and Student: \$21.50)</i>			
2009; (Chapter 356, Statutes of 2009 – SB 286; effective January 1, 2010) (FGC 1002, 1002.5)	N/A	N/A	Created a \$60 amendment fee on top of the base permit fee for adding persons working under a permit
<i>Legislature re-organized SCP authority FGC 1002 by instituting a new subsection FGC 1002.5</i>			

Source: License and Revenue Branch, Special Licenses & Permits, License Statistics

<https://www.wildlife.ca.gov/Licensing/Statistics>

The latest adjustments to SCP fees by legislative action occurred in 2012. New fee items associated with SCPs were created by Chapter 559, Statutes of 2012 (Huffman, Assembly Bill 2402; effective January 1, 2013). Transition of the permit from authority of the Fish and Game Commission to the Department, and other clarifications within the revised FGC sections 1002 and 1002.5 allowed the Department to change the fee structure as specified below. The impacts of changes in the fee amounts and fee structure effective in 2013 on the number of permits issued and the Department revenue are shown in **Table 2**.

- FGC Subsection 1002(b) – adjusted the fee structure with creation of a new non-refundable application fee of \$100 for Individual/ Entity permit types and a permit fee of \$300 for Individual/

Entity from the base fee of \$30 (thereafter adjusted annually pursuant to FGC 713) for California residents. A non-resident base fee of \$100 was removed from subsection 1002(e).

- FGC Subsection 1002(d)(1) – adjusted the fee structure with creation of a new non-refundable application fee of \$25 and a permit fee of \$50 for the student permit holder type from a base fee of \$8 (thereafter adjusted annually pursuant to FGC 713).
- FGC Subsection 1002.5(e) – increased the fee to amend a permit from \$60 to \$100, or as adjusted under regulations adopted by the Department.
- FGC Subsection 1002(h) – specified adjustments of fees per the implicit price deflator (FGC Section 713) for permits issued under Department rulemaking authority on or after January 1, 2013.
- FGC Subsection 1002.5(d) – when the costs to issue the permit are found higher than the amount imposed in 1002(b), the Department may charge a higher permit fee than what is specified in 1002(b). This references non-student permits (i.e., permits for Individuals and Entities).
- FGC Subsection 1002.5(d) – allowed the Department for the first time to adjust the fee amounts in both subsections 1002(b) as well as 1002(d) (referencing student permits) to fully recover, but not exceed, all reasonable administrative and implementation costs related to those permits.

Table 2. SCP Fees, License Items Sold, and Total Revenue, License Years 2010-2016

License Year	SCP License Item ¹	Students			Entities / Individuals				Total Items & Revenue
		Application ²	Amendment ³	Issuance ⁴	Application ²	Amendment ⁵	Issuance (Resident) ⁴	Issuance (Non-Resident) ⁴	
2010	Fee amount	..	..	\$ 20.75	..	\$ 60.00	\$ 61.75	\$ 206.75	
	# Items	..	..	197	..	3	977	115	1,292
	Revenue	..	..	\$ 4,088	..	\$ 180	\$ 60,330	\$ 23,776	\$ 88,374
2011	Fee amount	..	..	\$ 21.00	..	\$ 61.00	\$ 62.75	\$ 210.65	
	# Items	..	..	167	..	2	1,026	104	1,299
	Revenue	..	..	\$ 3,507	..	\$ 122	\$ 64,382	\$ 21,866	\$ 89,877
2012	Fee amount	..	..	\$ 21.50	..	\$ 62.75	\$ 64.50	\$ 216.25	
	# Items	..	..	131	..	8	1,114	106	1,359
	Revenue	..	..	\$ 2,817	..	\$ 502	\$ 71,853	\$ 22,923	\$ 98,095
2013	Fee amount	\$ 25.00	\$ 25.00	\$ 50.00	\$ 100.00	\$ 100.00	\$ 300.00	..	
	# Items	180	14	127	810	83	453	..	1,667
	Revenue	\$ 4,500	\$ 350	\$ 6,350	\$ 81,000	\$ 8,300	\$ 135,900	..	\$ 236,400
2014	Fee amount	\$ 25.25	\$ 25.25	\$ 50.50	\$ 101.25	\$ 101.25	\$ 303.50	..	
	# Items	153	13	167	848	121	896	..	2,198
	Revenue	\$ 3,863	\$ 328	\$ 8,434	\$ 85,860	\$ 12,251	\$ 271,936	..	\$ 382,672
2015	Fee amount	\$ 25.50	\$ 25.50	\$ 51.25	\$ 102.50	\$ 102.50	\$ 307.50	..	
	# Items	130	16	128	476	171	505	..	1,426
	Revenue	\$ 3,315	\$ 408	\$ 6,560	\$ 48,790	\$ 17,528	\$ 155,288	..	\$ 231,889
2016*	Fee amount	\$ 25.50	\$ 25.50	\$ 51.25	\$ 102.50	\$ 102.50	\$ 307.50	..	
	# Items	112	12	103	529	147	365	..	1,268
	Revenue	\$ 2,856	\$ 306	\$ 5,279	\$ 54,223	\$ 15,068	\$ 112,238	..	\$ 189,970

*denotes incomplete license data through December (license year 2016)

¹ SCP Item refers to the License item processed as transaction by License and Revenue Branch (LRB) by License year (=calendar year)

² New non-refundable application fee for all permits, including students - effective Jan 1, 2013

³ New Student Amendment fee - effective Jan 1, 2013

⁴ Non-Resident (NR) merged with Resident (R) fees, retain separate student Issuance fee - effective Jan 1, 2013

⁵ Existing Resident Amendment fee - effective Jan 1, 2010

.. N/A in these years

Source: LRB Special Licenses & Permits, License Statistics <https://www.wildlife.ca.gov/Licensing/Statistics>

METHODS

This analysis focuses primarily on the administrative costs incurred by the Department to receive, review, condition, and issue SCPs. The following data and information sources were considered for this analysis:

1. SCP administration costs – expenditures were determined as the number of PYs or temporary staff needed to issue SCPs amongst the review programs, Special Permits Unit at LRB, and other Department staff, considered in two ways:
 - a. A Budget Change Proposal approved for fiscal year (FY) 2013-2014 estimating PYs and staff costs to implement an improved program, and
 - b. Realized staffing –The Department conducted a staffing evaluation in April 2015, focusing on a two-year period (2013-2014) to identify all staff (regardless of funding source) from Department headquarters and all seven regions that participate in SCP application intake, review, conditioning and/or permit issuance. The PYs estimated from reported hours comprise the complete and total costs, derived by calculating staff salaries and benefits with overhead costs for that FY.
2. Revenues – All SCP revenues are generated by permit fees. These fees are tracked by the Special Permits Unit at LRB.
3. Workload – considered in two ways.
 - a. Total number of SCP fee items (new applications or permit renewals, including Student permits, and permit amendments) sold and issued through LRB. Data are derived from license statistics from LRB, Special Permits Unit.
 - b. Number of SCP “routings” by SCP review program (i.e., Inland Fisheries, Marine, and Terrestrial Wildlife), where each SCP undergoes at least two routings – one from LRB to the appropriate review program(s), and from the (those) review program(s) back to LRB for issuance. Routing numbers may slightly over estimate workload due to concurrent reviews. Data are derived from the SCP Database, managed by the Department’s Data Technology Division (DTD).

This analysis assumes that estimated SCP processing costs and the contribution by other Department staff (not funded with SCP fees), in prior years, will remain constant in future years.

RESULTS

SCP Administration Costs

The April 2015 staffing evaluation identified 137 Department staff who were involved in some level of reviewing, conditioning, and issuing SCPs. The majority of the effort involved receiving applications (intake phase), reviewing applications for completeness and content, and conditioning the SCP (review), and issuing (output) written permits involving Wildlife Branch, Fisheries Branch, Marine Region, Special Permits Unit at LRB, DTD, and the six other Department regions. Assistance with SCP administration from additional Department staff in other classifications was frequently identified, depending on the type of activity proposed or action required, such as wildlife officers (Law Enforcement), attorneys, administrative, and management staff. These PYs are currently supported by other funding sources and are not part of cost recovery efforts for alternatives evaluated below.

The main classifications involved in application intake/ permit issuance at LRB were Program Technicians, Office Assistants and Associate Governmental Program Analysts. The main classifications involved in application reviews for completeness and content, and for conditioning the SCPs were temporary Scientific Aides, followed by Environmental Scientists and Senior Environmental Scientists (Specialist). Other classifications involved less frequently include Research Program Specialist I (for reported data entry), Senior Environmental Scientists (Supervisor), Environmental Program Managers, wardens, and other administrative support.

The total statewide effort for SCP administration was estimated between 2013-2014 at 10.1 permanent PYs and 4.6 temporary Scientific Aides, with an estimated cost of \$1.44 million per year. This figure is

based on mid-range salaries, including employee benefits and overhead, for the classifications listed below:

- Associate Government Program Analyst (Marine Region, LRB) – 1.1
- Environmental Program Manager (varied) – 0.2
- Environmental Scientist (Wildlife Branch, Fisheries Branch, Marine Region,) – 4.6
- Fish and Game Warden – 0.1
- Office Assistant (LRB) – 0.9
- Program Technician I (LRB) – 0.1
- Program Technician II (LRB) – 0.9
- Research Analyst II (DTD) – 0.5
- Senior Environmental Scientist (Specialist) (varied) – 0.7
- Senior Environmental Scientist (Supervisory) (varied) – 0.6
- Supervising Program Technician III (LRB) – 0.2

Other staff (temporary): Scientific Aid (varied) – 4.6 positions

Temporary Scientific Aides contributed the greatest number of hours reviewing and processing SCPs in the April 2015 staffing evaluation. As discussed earlier, this classification has limitations for SCP processing because of limits on the number of hours and days that can be worked. Additional time is required when temporary staff move on to permanent positions. Depending on their experience, it can take months to train new Scientific Aides to the point where they can work independently and efficiently in processing SCPs. Though consistency in Scientific Aide performance across years is guided by permanent staff, permit condition templates, and internal training procedures, their frequent turnover means more time is spent by permanent staff to train and guide them, taking time away from reviews of pending permits.

Fee revenues

Licensing and permitting statistics from Special Permits Unit at LRB show that SCP revenue exceeded the \$100,000 mark for the first time in 2007. Between 2009 and 2012, revenues fluctuated around \$100,000 per year (**Table 3**). A 2013 Budget Change Proposal (BCP) approved by the Department of Finance for FY 2013-2014 proposed to fund new PYs dedicated to processing SCPs under the new fee structure implemented with the 2012 changes to FGC 1002 and 1002.5. The BCP specified the need to hire five permanent PYs dedicated to the review and issuance of SCPs (an Environmental Scientist for each review program, supported by a Sr. Environmental Scientist coordinator for the three review programs, a Research Analyst or Programmer II, plus three temporary Scientific Aides, at an estimated cost of \$600,000 per year). Improved service and accountability, retention of institutional knowledge, and a more efficient and streamlined permitting process were identified as benefits of the increased and dedicated staffing.

Table 3. SCP Revenues and Expenditures, License Years 2009-2016

SCP:	2009	2010	2011	2012	2013 ¹	2014	2015	2016 ²
Revenues	\$107,962	\$88,374	\$89,877	\$98,095	\$236,400	\$382,672	\$231,889	\$200,436
Est. Expenditures	\$600,000	\$600,000	\$600,000	\$600,000	\$601,292	\$601,292	\$755,203	\$759,350
Shortfall	-\$492,038	-\$511,626	-\$510,103	-\$501,905	-\$364,892	-\$218,620	-\$523,314	-\$558,914
Workload (No. SCPs)	1,524	1,289	1,297	1,351	580	1,063	633	509
PYs Authorized	0	0	0	0	5	2.5	2.5	2.5
PYs needed	5	5	5	5	5	5	5	5
PYs Filled	0	0	0	0	2	0.5	0	0

¹ Change in statute effective ² Projected revenue and permit workload through December, from data available through September for license year 2016. Source: Budget Change Proposal, LRB Special Licenses & Permits, License Statistics <https://www.wildlife.ca.gov/Licensing/Statistics>

The 2012 statutory increase in fees for Entity and Individual (non-student) permits from \$60 to nearly \$400 was expected to generate sufficient revenue to fund the level of staffing identified in the BCP. Three years later, the number of SCP license fee items sold, and total annual revenues show that the projected revenue from the BCP of \$600,000 has not been realized, peaking at \$382,672 in 2014 (Table 3; Attachment 1). Only 2.5 PYs have been filled since BCP approval in FY 2013-2014. First, the Wildlife Branch PY was filled. Second, the Senior Environmental Scientist coordinator position was downgraded to an Environmental Scientist position intended to coordinate the SCP regulations update and transition to an online application and data management system, and later to take on a role reviewing permits for Fisheries. Last, the Research Analyst II was lowered from a full PY to a 0.5 PY.

In addition to this adjustment in staffing based on incoming revenues, estimated costs for the necessary permanent PYs have increased since the BCP was approved. This increase is largely related to increased staff benefit rates (37.66% in FY 2012-2013 to 50.553% in FY 2016-2017) and state overhead rates (from 29% in FY 2012-2013 to 32.54% in FY 2016-2017). Finally, salary adjustments (bargaining unit raises for scientific staff 5% each year over 2016-2018, and supervisors increased approximately 43% in 2014), and other administrative costs have increased the cost of the program. Staff benefit rates and salary adjustments are made during employee bargaining unit negotiations with CalHR and are outside the control of the Department.

Aside from the staffing adjustments and additional costs adjusted since FY 2012-2013, the 2012 statutory changes in permit duration and Entity permit implementation likely played a role in reducing SCP license items sold and associated projected revenue, as follows:

- Effective January 1, 2013, the permit transitioned from a 24-month to a 36-month duration, which resulted in an approximate 33% decrease in the volume of permit renewal requests (and the associated fee revenue). Student permits remained at the same 12-month duration.
- The peak in revenue achieved in license year 2014 was presumably due to a large number of permits reviewed and issued during 2014 that were pending in the queue from previous years, as Department review staff and permit holders worked through the new Entity permit process.
- The types of institutions or affiliations eligible to apply for Entity permits was expanded with the 2012 statute change, increasing the number of entity permits from two issued in the 2010 license year, to 54 issued in the 2014 license year. Individual SCP permit holders associated with an affiliation that converted to an Entity permit were able to transfer their research activities to one new Entity permit, and work independently as an Authorized Individual under the adequate supervision of a Principal Investigator, rather than obtaining or renewing their own Individual permits. During the 2014 license year, the number of Authorized Individuals operating under Entity permits who were previously Individual permit holders was approximately 156 (ranging from zero to 16 Individuals per Entity permit). Since the Entity permit fee is attached to a Principal Investigator (and not an Authorized Individual), this resulted in an estimated loss in revenue of \$64,800 when persons who were previously Individual permit holders did not renew their Individual permits, and were instead “absorbed” under the Entity permit.
- Aside from this documented attrition in revenue, the lack of a limit on the number of Authorized Individuals under a single Principal Investigator, or under a single Entity SCP, resulted in substantial Department effort spent on applications requesting approval of several Authorized Individuals, (e.g., one application included as many as 28 Authorized Individuals working under a single Principal Investigator). The 2012 statutory increase in permit fees did not fully anticipate the increased review effort associated with multiple individuals (and multiple studies) under a single Entity SCP application, nor specify the means to implement such complex permits.
- In some cases, entities were also able to combine multiple studies and types of take activities across review programs for one set of fees per Principal Investigator. Analyses from randomly sampled Individual and Entity permits from 2013-2015 showed that 33% of all permits included two or more studies, and 19% included four or more studies. Though the complexity of a given study is highly variable, the large volume of studies or take activities needing review greatly complicated the

conditioning of the SCP to some degree for such applications, further increasing the time spent on those permits, and contributing to delays in permit issuance for these, and other pending applications.

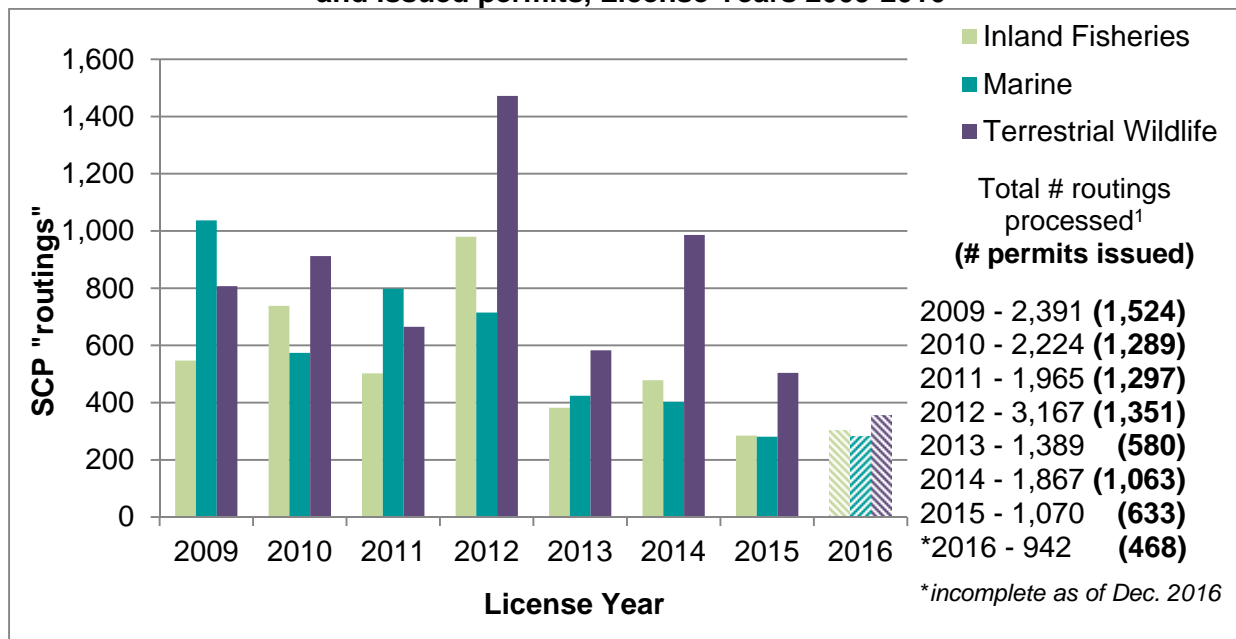
Workload

From 2000-2013, the Department reviewed an annual average of 1,450 SCP applications issued across the Terrestrial Wildlife, Inland Fisheries and Marine review programs for the resident, non-resident and student permit holder categories (**Figure 1**). The Terrestrial Wildlife program is responsible for permit review for the broadest range of taxonomic groups, and generally sees the highest volume of permit application routings, followed by the Marine and Inland Fisheries programs (**Figure 1**).

The current intake volume of permit applications is lower than in past years, likely due to the reasons discussed above. Following the 2012 statute change, intake of permit applications decreased to approximately 580-630 applications per year in these same categories. A backlog of permit applications awaiting review was processed in 2014 (as noted above), which helps explain the spike in workload and revenue in 2014 (Attachment 1). However, additional workload by the review programs not anticipated with the change from a two to a three-year permit includes:

- For some review programs, checking for, and verifying interim reporting of wildlife take to ensure that permit conditions are met (for example, verifying interim reporting required during the three year permit duration not previously required during the two year permit period);
- cross-checking permits with federal or other state requirements for consistency;
- ensuring thorough qualifications review that staff named on the Entity SCP as Authorized Individuals are trained and qualified to work on their own; and
- comparing take requests or authorizations for certain species in certain geographic locations.

Figure 1. Number of SCP permit application routings by review program and issued permits, License Years 2009-2016



¹Routings processed include approvals and denials. Routings are unequal and not always representative of review effort; some require review of more species and methods relative to other permit applications, have multiple studies that require evaluation, or involve more invasive methods.

Source: Department SCP Database

SUMMARY OF FINDINGS

- ***Projected revenues for SCPs have not been realized, despite the six-fold fee increase effective January 1, 2013.***
 - The PYs needed to complete the review responsibilities of the three main review programs (Inland Fisheries, Marine and Terrestrial Wildlife) are not being fully funded, so even these basic positions envisioned with the BCP have not been filled.
 - Revenue peaked in license year 2014 when permits that had been pending for over a year were processed and issued under the new fee structure.
 - Since the peak revenue year in license year 2014, SCP fee revenues declined by 39% in license year 2015, and are expected to decline as much as 48% through December in license year 2016 (projected from incomplete license revenue data through December 2016).
- ***Overall SCP administration costs increased by 26% for FY 2016-2017 since the BCP was approved in FY 2013-2014.***
 - Salaries for permanent scientist classifications increased by 5% (each year over 2016-2018), , and by 43% for supervisors through cost-of-living adjustments, and bargaining unit negotiations.
 - State (non-federal) overhead rate increased from 29% to 32.54%.
 - Permanent staff benefits rate increased from 37.33% to 50.55%.
 - The costs for partial benefits for seasonal staff (Scientific Aides) were not factored into the original BCP.
- ***Existing permit fee schedule and permit structure does not generate sufficient revenues to support even the minimum staffing level for dedicated SCP administration.***
 - An estimated 10.1 PYs (and 4.6 Scientific Aides) would be needed to fully support the SCP program, at an estimated cost of \$1.44 million per year.
 - Multiple studies submitted under a single permit application may require a higher level of review effort that can result in issuance delays for these permits, and perpetuation of a permit queue for some programs.
 - Other programs subsidize an estimated 0.12 additional PYs to administer the processing of SCPs, further evidence that actual expenditures are more than those PYs described above.

ALTERNATIVES

Two alternatives are presented to address the funding shortfall and to recover, but not exceed reasonable administrative and implementation costs. Each alternative is evaluated based on four cost recovery options derived from the findings of this fiscal analysis (options A-D) (Attachment 2).

Data from LRB license sales transactions, and routing data from the SCP Database from 2009-2016 using the existing SCP permit structure (Alternative 1) were used to project a number of future permits under and associated permit fees to meet options A-D under Alternative 1 (detailed in Attachment 3).

Alternative 1 - Maintain existing SCP structure with significantly increased fees. Under the existing structure, permit fees would continue to correspond to a single permit for reviews by one, or multiple review programs (Terrestrial Wildlife, Inland Fisheries and Marine), but would increase at larger rates because of the need to recover costs for complex multiple studies, approving numbers of Authorized Individuals named on permits, and varying complexity under one set of fees.

The following four cost recovery options were evaluated under Alternative 1:

1A. Increase fees by 348% to support the total cost of the SCP program (10.1 PYs). Alternative 1A includes complete cost recovery for the 10.1 PYs and 5 Scientific Aides participating in SCP application intake, review, conditioning and issuance, enforcement and other administration for a maximal level of service. Under the existing permit structure, this option under Alternative 1 would include raising the existing SCP application and permit fee for Individuals and Entities from \$415 to

approximately \$1,837, and for students from \$77 to approximately \$344 (Attachment 3).

1B. Increase fees by 178% to recover preferred costs for dedicated SCP staff (5.5 PY).

Alternative 1B includes cost recovery for the 5.5 PYs (and 6 Scientific Aides) identified as the preferred alternative for SCP review and issuance to fund dedicated staff at an improved level of service. This level reflects the primary staff currently involved in SCP administration, but who are paid out of other funds. This option would include raising the existing SCP application and permit fee for Individuals and Entities from \$415 to approximately \$1,140, and for students from \$77 to approximately \$213 (Attachment 3).

1C. Increase fees by 136% to recover costs for dedicated SCP staff (approved by the BCP).

Alternative 1C includes cost recovery for 5.0 PYs (and 3 Scientific Aides) as specified in the BCP for each review program (with support from a coordinator and temporary positions) to establish dedicated staff for improved service for SCP administration, and provide an adequate level of service. This option would include raising the existing SCP application and permit fee for Individuals and Entities from \$415 to approximately \$969, and for students from \$77 to approximately \$181 (Attachment 3).

1D. Increase fees by 97% to recover minimum costs for dedicated SCP staff (4.0 PY). Alternative 1D includes cost recovery for 4.0 PYs (and 4 Scientific Aides) to fund dedicated staff constituting the bare minimum needed for review and issuance of permits at a minimal level of functioning service. This option would include raising the existing SCP application and permit fee for Individuals and Entities from \$415 to approximately \$809, and for students from \$77 to approximately \$151 (Attachment 3).

Alternative 2 - Re-organize the SCP permit structure to be consistent with the Department's existing workflow for permit administration, and to streamline the application process. The establishment of two different permit levels creates a framework to process the simpler applications more quickly, and streamline permitting amongst the review programs depending on the nature of activities requested. Under this alternative, the Department proposes to issue "General Use" level permits for selected taxonomic groups and low risk activities under the Inland Fisheries, Marine, and Terrestrial Wildlife, review programs. A "Specific Use" level permit is proposed for individual research, education or propagation activities that may involve more sensitive taxonomic groups and/or more invasive methods.

A General Use permit could be issued for one or more taxonomic groups under a single review program. This permit level provides for a streamlined application for only certain take activities, which includes widely accepted, low impact methods for predominantly common species. General Use permits would be available on a statewide geographic basis, with pre-determined, standardized Authorizations listing the authorized methods, species, locations and disposition; the applicant can determine the suitability of such a permit for their work prior to completing the appropriate application form(s). The General Use level was conceived to reduce the time required for permit review, conditioning and issuance with approval of applicant qualifications for certain pre-authorized activities. Each General Use permit would be constrained within one review program to facilitate quicker review, requiring a separate permit for take of wildlife from each additional review program. A General Use permit's Authorizations would not be amendable for methods, procedures, or conditions, but could be amended to add or change names on the LAI, or request to add a new Authorization within the same General Use permit.

A Specific Use permit could be issued for a single, planned undertaking or specific scientific, education or propagation study involving one or more taxonomic groups within, or across, the three review programs. The Specific Use permit may include take activities covered under authorizations included for General Use, but may also include activities not covered under a General Use permit, such as species, methods and procedures that require greater levels of review or scrutiny by the Department (e.g., sensitive species and numbers, capture methods, more invasive procedures, sensitive locations, etc.). Specific conditions would be developed as appropriate for the particular request. A Specific Use permit can be amended for certain species, methods, procedures, locations, or conditions, as well as to add or change names of personnel authorized to work under the permit. A new or additional Specific Use permit would be required for a new study or planned undertaking with different goals or objectives.

The revised permitting structure would include improvements on other levels, including creation of lower amendment fees that streamline changes to a permit for both the Department and the applicant. For example, a flat General Amendment fee would be assessed for allowable amendments to the General Use level permit. These include any combination of changing the Principal Investigator for Entity permitholders, or the names of Authorized Individuals approved under each Authorization of the permit for Entity and Individual permitholders, or to add a new Authorization within the same General Use permit for all permitholder types. However, a maximum of eight Authorized Individuals would be allowed under each Authorization.

For the Specific Use level permit, a flat Specific Amendment fee is proposed to include adding or changing the Principal Investigator, or the names of Authorized Individuals approved under the permit, or changes to species, numbers of individuals, methods, procedures, authorizations or conditions or other adjustments to a particular study, and is only allowed for Specific Use level permits. This structure would apply at roughly the same level for Student permitholders as well, with a separate, reduced fee structure from Individual and Entity permits.

A “base analysis” (Alternative 2, Option D) helps determine the lowest feasible cost recovery option required to meet minimum staffing needs (Attachment 2). Under this base analysis, student fees would be maintained the same as they are with the current permit structure (\$25 application and \$50 permit fee) for each permit use level (General and Specific). Thus, fees for each permit use level are adjusted for Individual and Entity permits to meet the totals on each cost recovery option 2A-2C.

Data from LRB license sales transactions, and routing data from the SCP Database from 2009-2016 under the existing SCP permit structure (Alternative 1) projects a number of General & Specific Use level permits anticipated under Alternative 2. Projected permit fees to meet options A-D under Alternative 2 are detailed in Attachment 3, and projected numbers of permits and amendments are outlined in Attachment 4.

The following four cost recovery options are evaluated under Alternative 2:

2A. Adjust fees 128% over the base analysis to support the total cost of the SCP program (10.1 PY). Alternative 2A would recover complete costs for 10.1 PYs (and 5 Scientific Aides) for a maximal level of service. This option would raise the permit fees at a lower rate than for Alternative 1A. The Individual and Entity General Use application and permit fees would total approximately \$523. The Specific Use application and permit fee would total approximately \$774. Application and permit fees for students would be approximately \$170 for both use levels (Attachment 3).

2B. Adjust fees 41% over the base analysis to recover costs for dedicated SCP staff (5.5 PY). Alternative 2B would recover costs for the preferred option of 5.5 PYs (and 6 Scientific Aides) as the preferred alternative for SCP review and issue to fund dedicated staff at an improved level of service. This option would raise the permit fees at a lower rate than for Alternative 1B. The Individual and Entity General Use application and permit fee would total approximately \$324. The Specific Use application and permit fee would total approximately \$480. Application and permit fee for students would be approximately \$106 for both use levels (Attachment 3).

2C. Adjust fees 20% over the base analysis to recover costs for dedicated SCP staff (approved by the BCP – 5.0 PY). Alternative 2C would recover costs for 5.0 PYs (and 3 Scientific Aides) specified in the BCP to establish dedicated positions in each review program (with a coordinator and temporary positions) to establish dedicated staff for improved service for SCP administration, and provide an adequate level of service. This option would raise the permit fees at a lower rate than for Alternative 1C. The Individual and Entity General Use application and permit fee would total approximately \$276. The Specific Use application and permit fee would total approximately \$408. Application and permit fee for students would be approximately \$90 for both use levels (Attachment 3).

2D. A base analysis for the revised permit structure to recover minimum costs for dedicated SCP staff (4.0 PY). Alternative 2D would recover costs for 4.0 PYs (and 4 Scientific Aides) to fund dedicated staff constituting the bare minimum needed for review and issuance of permits at a minimal level of functioning service. This base option also shows a lower rate of fee increase than for Alternative 1. The Individual and Entity General Use application and permit fee would total approximately \$230. The Specific Use application and permit fee would total approximately \$341. The application and permit fee for students would be approximately \$75 for both use levels (Attachment 3).

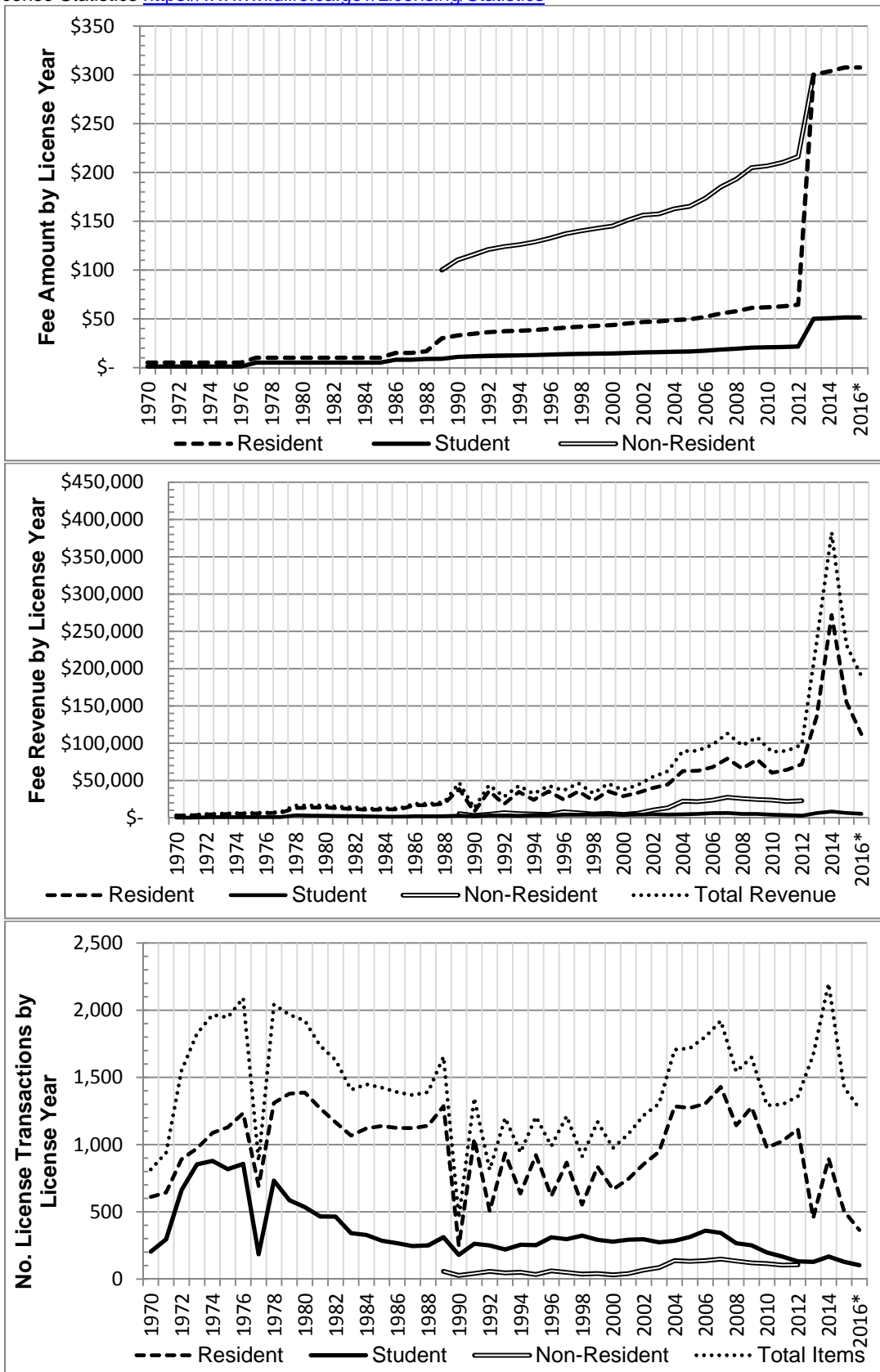
RECOMMENDATION

The Department recommends implementing the revised permit structure under Alternative 2 to accommodate stakeholder requests to provide lower fees per permit license item, and streamline permit review and issuance, thereby reducing permit processing times. This alternative is also more consistent with the Department's current permit intake, review and output workflow, and strives to take into account the interest of the regulated community.

1. Implement Alternative 2 (revised permit structure):
 - The proposed permit structure would help meet Departmental operating procedures to facilitate review of all applications within 90 days or less.
 - The proposed permit structure would simplify each permit and would reduce delays currently caused by numerous, complicated studies or large numbers of Authorized Individuals covered under a single permit.
 - The proposed permit structure would make approval and issuance timelines more predictable for each incoming application, because activities of similar nature would be grouped, authorized and conditioned according to permit use level.
 - The proposed permit structure would be implemented more smoothly in an online application and data management system.
 - The existing permitting structure under Alternative 1 authorizing multiple studies and Authorized Individuals under a single permit creates problems for implementation in an online application and data management system. The existing permitting structure means the varying scope and complexity of each permit would require a more generic application format with little ability to tailor a categorized application via drop-down menu, checkbox or other selection details. This reduces the ability to efficiently track or query certain types of data in an online database format over the long-term.
2. Select Option D under Alternative 2 to recover costs for the minimal staff involved in SCP review at the lowest level of functioning service.
 - SCP fees have already dramatically increased in the last three years with the 2012 statute change, and several other factors (discussed under "Fee Revenues" above) have already confounded trends in SCP applications and renewals in past years. However, the continuing pattern of fewer applications and lower revenue since 2014 supports a revision to the permit and fee structure to provide more permitting options for applicants, who have expressed concerns for permit issuance delays and fee amounts.
 - Since Alternative 2 (proposed permit structure) provides a varied set of options for applicants, it is expected that some applicants will see a reduction in SCP fees as they might only be working within one permit use level for one taxonomic group (or amongst a single review program, e.g., birds and mammals under Terrestrial Wildlife). However, other applicants might see an increase in overall fees because they might need to obtain permits from multiple review programs to conduct their work. Fees from different permits would then be proportionate to the level of effort the Department expends on reviewing applications and issuing those permits.
 - Once implemented in an online system, the Department plans to track permit numbers and revenues under the proposed permit structure for at least one permit cycle (3 years) and evaluate trends, and then for several more years. Revenues tracked from the proposed fee structure by permit use level (particularly for General Use level permits) could track PYs needed for cost

recovery purposes in specific review programs so the Department can better allocate resources. Over time, data and revenues generated will help inform how to best approach the preferred cost recovery option (Option B) for those PYs (and Scientific Aides) dedicated to the SCP program.

Attachment 1. SCP fee amounts, number of license item transactions, and fee revenue by license years 1970-2016* (*denotes incomplete data through December for license year 2016). Source: LRB, Special Licenses & Permits, License Statistics <https://www.wildlife.ca.gov/Licensing/Statistics>



Attachment 2. Cost recovery options examined for both Alternatives 1 and 2 for this SCP fiscal analysis.

Option A - Total Cost of Complete SCP Administration (10.1 PY)			FY 2016-2017		
Classification	PY	Program/ Role	Hourly+ Benefits ^{1,2}	Monthly	Annual
ASSOC. GOVT. PROGRAM ANALYST	1.1	Marine, Other	\$ 47.28	\$ 8,558	\$ 102,694
ENV. PROGRAM MANAGER	0.2	Various	\$ 99.24	\$ 3,593	\$ 43,111
ENV. SCIENTIST (RANGE A)	1.0	Wildlife Branch	\$ 37.48	\$ 6,071	\$ 72,853
ENV. SCIENTIST (RANGE B)	1.0	Fisheries Branch	\$ 45.59	\$ 7,254	\$ 87,049
ENV. SCIENTIST (RANGE C)	2.6	Marine, Other	\$ 57.76	\$ 25,023	\$ 300,278
FISH AND GAME WARDEN	0.1	Enforcement	\$ 43.25	\$ 865	\$ 10,381
OFFICE ASSISTANT (GENERAL)	0.9	License & Revenue Branch	\$ 24.50	\$ 3,430	\$ 41,158
PROGRAM TECHNICIAN	0.1	License & Revenue Branch	\$ 25.50	\$ 561	\$ 6,733
PROGRAM TECHNICIAN II	0.9	License & Revenue Branch	\$ 28.36	\$ 4,254	\$ 51,049
RESEARCH ANALYST II (GIS)	0.5	Biogeographic Data Branch	\$ 49.65	\$ 3,972	\$ 47,664
SCIENTIFIC AID ^a	4.6	Various	\$ 15.27	\$ 8,813	\$ 105,761
SR ENV. SCIENTIST (SPEC)	0.7	Various	\$ 66.49	\$ 7,247	\$ 86,968
SR ENV. SCIENTIST (SUP)	0.6	Various	\$ 81.53	\$ 8,035	\$ 96,422
SUP. PROGRAM TECHNICIAN III	0.2	License & Revenue Branch	\$ 36.11	\$ 1,444	\$ 17,331
Misc. positions (total 0.12 PY)	0.1	Various	\$ 509.30	\$ 1,410	\$ 16,925
Sum 10.1				subtotal	\$ 1,086,377
			<i>Overhead</i>	32.54%	\$ 353,507
				total	\$ 1,439,884

Option B - Preferred Costs for Dedicated SCP Staff (5.5 PY)			FY 2016-2017		
Classification	PY	Program/ Role	Hourly+ Benefits ^{1,2}	Monthly	Annual
ASSOC. GOVT. PROGRAM ANALYST	1	Marine Region	\$ 47.28	\$ 7,786	\$ 93,427
ENV. SCIENTIST (RANGE A)	1	Wildlife Branch	\$ 37.48	\$ 6,171	\$ 74,053
ENV. SCIENTIST (RANGE B)	1	Fisheries Branch	\$ 45.59	\$ 7,507	\$ 90,081
ENV. SCIENTIST (RANGE C)	2	Marine Region, Other	\$ 57.76	\$ 9,511	\$ 228,255
RESEARCH PROGRAM SPECIALIST I	0.5	Biogeographic Data Branch	\$ 51.94	\$ 8,552	\$ 51,314
SCIENTIFIC AID ^a	6	Various	\$ 15.26	\$ 1,907	\$ 137,340
Sum 5.5				subtotal	\$ 674,469
			<i>Overhead</i>	32.54%	\$ 219,472
				total	\$ 893,941

Footnotes:

^a Not counted towards PYs

^b Research Analyst II (or Programmer II) approved by the BCP, but this position became a Research Program Specialist I in FY 2015-2016.

^c The BCP was originally approved for FY 2013-2014 was at \$600,000, with staff benefit rate of 37.66% and overhead rate 29%. Since then, CAPS and other bargaining unit salary increases (supervisors approximately 43% in 2014), and other administrative costs raised implementation of the BCP projection by 26% between FY 2012-2013 and FY 2016-2017.

^d 0.5 PY for SCP program coordinator

¹ Staff Benefit rate FY 2016-2017 50.553% (Dept. Budget Memo)

² Scientist 2018 range per CAPS Bargaining Unit 10 MOU (2015-2018)

Attachment 2, continued (Cost recovery options for Alternatives 1 and 2)

Option C - Approved Costs for Dedicated SCP Staff (BCP) (5.0 PY)^c			FY 2016-2017		
Classification	PY	Program/ Role	Hourly+ Benefits ^{1, 2}	Monthly	Annual
SR ENV. SCIENTIST (SPEC)	1	Coordinator	\$ 66.49	\$ 10,949	\$ 131,382
ENV. SCIENTIST (RANGE B)	3	Marine Region, Wildlife Branch, Fisheries Branch	\$ 45.59	\$ 7,507	\$ 270,242
RESEARCH PROGRAM SPECIALIST I ^b	1	Biogeographic Data Branch	\$ 51.94	\$ 8,552	\$ 102,627
RESEARCH ANALYST II (GIS) ^b	1	..	\$ 49.65		
SCIENTIFIC AID ^a	3	Various	\$ 15.26	\$ 1,907	\$ 68,670
Sum 5.0				subtotal	\$ 572,922
			<i>Overhead</i>	32.54%	\$ 186,429
				total	\$ 759,350

Option D - Minimum Costs for Dedicated SCP Staff (4.0 PY)			FY 2016-2017		
Classification	PY	Program/ Role	Hourly+ Benefits ^{1, 2}	Monthly	Annual
ENV. SCIENTIST (RANGE A)	1	Wildlife Branch	\$ 37.48	\$ 6,171	\$ 74,053
ENV. SCIENTIST (RANGE B)	1	Fisheries Branch	\$ 45.59	\$ 7,507	\$ 90,081
ENV. SCIENTIST (RANGE C)	1.5	Marine Region, Other ^d	\$ 57.76	\$ 9,511	\$ 171,191
RESEARCH PROGRAM SPECIALIST I	0.5	Biogeographic Data Branch	\$ 51.94	\$ 8,552	\$ 51,314
SCIENTIFIC AID ^a	4	Various	\$ 15.26	\$ 1,907	\$ 91,560
Sum 4.0				subtotal	\$ 478,198
			<i>Overhead</i>	32.54%	\$ 155,606
				total	\$ 633,804

Footnotes:

^a Not counted towards PYs

^b Research Analyst II (or Programmer II) approved by the BCP, but this position became a Research Program Specialist I in FY 2015-2016.

^c The BCP was originally approved for FY 2013-2014 was at \$600,000, with staff benefit rate of 37.66% and overhead rate 29%. Since then, CAPS and other bargaining unit salary increases (supervisors approximately 43% in 2014), and other administrative costs raised implementation of the BCP projection by 26% between FY 2012-2013 and FY 2016-2017.

^d 0.5 PY for SCP program coordinator

¹ Staff Benefit rate FY 2016-2017 50.553% (Dept. Budget Memo)

² Scientist 2018 range per CAPS Bargaining Unit 10 MOU (2015-2018)

Attachment 3. Projected permit and amendment fees by alternative and cost recovery option.

Projected fees by Option for Alternative 1 (Existing Permit Structure)

Option	Individual & Entity		Student		% Increase
	Application &		Application &		
	Issuance	Amendment	Issuance	Amendment	
1A	\$ 1,836.80	\$ 459.20	\$ 343.84	\$ 114.24	348%
1B	\$ 1,140.21	\$ 285.05	\$ 213.44	\$ 70.92	178%
1C	\$ 968.83	\$ 242.21	\$ 181.36	\$ 60.26	136%
1D	\$ 808.52	\$ 202.13	\$ 151.35	\$ 50.29	97%
current	\$ 421.58	\$ 105.38	\$ 79.32	\$ 26.27	0%

(2017 fees)

All fees shown not adjusted to the nearest \$0.25 per FGC Section 713.

Projected fees by Option for Alternative 2 (Proposed Permit Structure)

Option	Individual & Entity				Student				% Increase
	General		Specific		General		Specific		
	General Use	Specific Use	Amendment	Amendment	General Use	Specific Use	Amendment	Amendment	
2A	\$ 522.56	\$ 773.73	\$ 139.88	\$ 204.21	\$ 170.33	\$ 170.33	\$ 56.78	\$ 56.78	127%
2B	\$ 324.44	\$ 480.39	\$ 86.84	\$ 126.79	\$ 105.75	\$ 105.75	\$ 35.25	\$ 35.25	41%
2C	\$ 275.66	\$ 408.16	\$ 73.79	\$ 107.73	\$ 89.85	\$ 89.85	\$ 29.95	\$ 29.95	20%
2D	\$ 230.10	\$ 340.70	\$ 61.04	\$ 89.28	\$ 75.00	\$ 75.00	\$ 25.00	\$ 25.00	0%

Footnotes:

Option 2D serves as the "base analysis."

General and Specific Use fees for Alternative 2 reflect combined Application and Permit (issuance) fees.

All fees shown not adjusted to the nearest \$0.25 per FGC Section 713.

Attachment 4. Projected permit numbers with proposed SCP permit and fee structure for the base analysis (Alternative 2D) based on past license year sales and routings, and applying proposed fees (listed in Attachment 3).

Source: LRB, Special Licenses & Permits, License Statistics <https://www.wildlife.ca.gov/Licensing/Statistic>

SCP Review Programs																	
			Inland Fisheries					Marine					Terrestrial Wildlife				
<i>Individual & Entity</i>		<i>Student</i>	<i>Total routings</i>	<i>Individual & Entity (Proj. Permit #)⁴</i>		<i>Students (Proj. Permit #)⁴</i>		<i>Total routings</i>	<i>Individual & Entity (Proj. Permit #)⁴</i>		<i>Students (Proj. Permit #)⁴</i>		<i>Total routings</i>	<i>Individual & Entity (Proj. Permit #)⁴</i>		<i>Students (Proj. Permit #)⁴</i>	
<i>Permit Duration</i>	<i>Total SCPs</i>	<i>Total SCPs³</i>		GU	SU	GU	SU		GU	SU	GU	SU		GU	SU	GU	SU	GU	SU
			10%	90%	10%	90%	20%	80%	20%	80%	20%	80%	10%	90%	10%	90%	
2009 - 2 year	1,524	229	547	47	424	8	69	1,037	192	769	15	61	807	73	658	8	69
2010 - 2 year	1,289	132	738	69	625	4	40	574	106	424	9	35	912	87	781	4	40
2011 - 2 year	1,297	117	502	46	417	4	35	798	152	607	8	31	665	63	563	4	35
2012 - 2 year	1,351	155	980	93	836	5	47	715	133	531	10	41	1,472	142	1,278	5	47
2013 - 3 year	580	129	382	34	305	4	39	424	76	305	9	34	583	54	486	4	39
2014 - 3 year	1,063	160	478	42	382	5	48	403	70	280	11	43	986	93	839	5	48
2015 - 3 year	633	109	285	25	224	4	33	281	49	196	7	29	504	47	421	4	33
Avg 2009-2012 (converted) ¹			461	43	383	5	47	521	97	388	11	42	643	61	547	5	47
Avg 2009-2015 Projections			402	36	324	5	42	407	73	292	9	37	679	64	573	5	42
Total Specific Use Projection ²				..	430	..	55		..	389	..	49		..	762	..	55
<i>Estimated Revenue by Permit⁵ or Amendment^{6,7}</i>																	
General Use level permit				\$ 8,274		\$ 348		\$ 16,807		\$ 695		\$ 14,656		\$ 348			
General Amendment				\$ 613		\$ 12		\$ 1,245		\$ 25		\$ 1,086		\$ 12			
Specific Use level permit					\$ 146,644		\$ 4,161			\$ 132,389		\$ 3,699		\$ 259,762		\$ 4,161	
Specific Amendment					\$ 10,375		\$ 147			\$ 9,367		\$ 130		\$ 18,378		\$ 147	
																Totals	
																	\$ 41,128
																	\$ 2,992
																	\$ 550,818
																	\$ 38,544
																Total Projected Revenue	\$ 633,481

¹ Conversion factor of 0.667 applied to 2 year duration permits (2009-2012) for comparison purposes to 3 year permits.

² Multiplier of 0.33 applied to Specific Use permit projections to take into account that 33% of current permits have at least two studies.

³ Student Permit duration is 1 year per Fish and Game Code §1002(d)(1).

⁴ Permit percentages of General Use (GU) and Specific Use (SU) based on review programs' projections of applicant interest in applying for these permit use levels.

⁵ General and Specific Use permit revenues Permit reflect combined Application and Permit (issuance) fees.

⁶ On avg, 11% of 2013-2016 Student SCPs were amended to modify permit activities.

⁷ On avg, 27% of 2013-2016 Individual & Entity SCPs were amended to add Authorized Individuals and modify permit activities.