

Board of Guide Dogs for the Blind

Finding of Emergency

School Renewal Fee – 16 CCR Section 2262.1

The State Board of Guide Dogs for the Blind (Board) proposes to adopt a license renewal fee for guide dog schools by emergency regulation to ensure that it can collect school license renewal fees on April 30, 2009, and before the schools' licenses expire.

Specific Facts Showing the Need for Immediate Action

Until December 31, 2009, the fee for guide dog school license renewals was set in statute, in particular through Business and Professions (B&P) Code section 7200.7. As of January 1, 2010, however, B&P Code section 7200.7 specifically requires the Board to set the annual school license renewal fee through regulation (SB 475, Padilla, Chapter 51, Statutes of 2009). In addition, the revised law will require school renewal fees to be paid on April 30 of each year. Therefore, on April 30, 2010, schools will have to pay their renewal fee, but, absent a regulation, the amount of the renewal fee will be undefined.

If the fee is not set through an emergency regulation, the Board will not have the authority to collect renewal fees from guide dog schools. These fees comprise over 90 percent of the Board's annual budget. Without collecting school renewal fees, the Board will not be able to conduct its regular duties of licensing, enforcement, examinations, inspection and outreach and education. Without these fees, the board would have only about \$10,000 revenue annually in instructor renewal fees to perform its duties. Last year's annual expenditures were approximately \$162,797, including \$146,172 in non-discretionary expenses, to perform those functions. Although the Board has funds in reserve to support expenditures through the end of this fiscal year, the Board would not have enough funds to operate through next fiscal year (2010-11) and would be operating in a deficit if fees are not collected this fiscal year (2009-10).

The Board attempted to submit this regulatory change on September 23, 2009. The absence of the Agency Secretary signature on the Std. 399 form caused the Office of Administrative Law (OAL) to consider the package incomplete and the package was withdrawn.

Based on these findings, an emergency exists that requires an immediate rulemaking to set the school license renewal fee.

Authority and Reference Citations

Authority: Sections 7200.7 and 7208, Business and Professions Code.

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Informative Digest

Existing law obligates the Board to protect the public by exercising its licensing, regulatory, and disciplinary functions. Existing law (B&P Code section 7200.7), effective through the end of the calendar year, sets the school license renewal fee through statute. Effective January 1, 2010, the law requires the Board to set school license renewal fees through regulation (SB 475). This regulation exercises that authority to set the school license renewal fee in order to support its functions and the fiscal solvency of the agency. As proposed, the fee for 2010 will be consistent with the prior year (0.004 of all school expenses) for timely payments. For all others, it would increase the fee to 0.00425 of all school expenses.

Underlying Data

Technical, theoretical or empirical studies or reports relied upon (if any):

- 1) Analysis of Fund Condition, prepared 9-14-09

Mandate on Local Agencies

The Board has determined that Section 2262.1 does not impose a mandate on local agencies or school districts.

Cost Estimate

Adopting the regulation will prevent the Board from losing approximately \$30,000 in school license fee renewals. There are no agency costs for implementing Section 2262.1. If paid timely, the renewal fee for a school license for 2010 will be the same as the amount required by the law effective through 2009, that is, 0.004 of all school expenses. The renewal fee for the guide dog school license the years following will increase by 0.00025.