



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Board Meeting Minutes

A. CALL TO ORDER, ROLL CALL, ESTABLISHMENT OF QUORUM, AND CHAIR'S INTRODUCTION AND APPOINTMENT OF NOMINATION COMMITTEE MEMBERS

Board Chair David De La Torre called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m., Thursday, March 25, 2021, via teleconference.

A quorum was established. Chair De La Torre led the Board in the Pledge of Allegiance.

Board Members Present

David De La Torre, Chair
Kevin Albanese
Frank Altamura, Jr.
Augie Beltran
Rodney Cobos
Miguel Galarza
Don Giarratano

Susan Granzella
Diana Love
Michael Mark
Jim Ruane
Johnny Simpson
Nancy Springer
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement
Michael Jamnetski, Chief of Legislation
Phyliz Jones, Executive Staff
Mike Melliza, Chief of Administration
Justin Paddock, Chief of Licensing
Stacey Paul, Budget Manager
Jason Perez, Chief of Information Technology

Department of Consumer Affairs (DCA)

Staff Present

Jason Hurtado, Legal Counsel
Shelly Jones, WebEx Host



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Chair De La Torre explained that the new fiscal year for the Board Officer Nomination Committee will begin on July 1, 2021, as will the terms for CSLB's new Board Secretary, Vice Chair, and Chair. Kevin Albanese and Johnny Simpson were appointed to the Nomination Committee and will recommend a slate of officers for Board member consideration. The Board will elect new officers at the June 2021 Board meeting.

Chair De La Torre advised Board members that they will be surveyed in April for their interest in serving as a Board officer, committee chair, and committee assignments for the next fiscal year, July 2021 through June 2022. The new Board Chair elected at the June 2021 Board meeting will make the committee appointments.

B. PUBLIC COMMENT SESSION FOR ITEMS NOT ON THE AGENDA AND FUTURE AGENDA ITEM REQUESTS

There was no public comment.

C. PRESENTATION OF CERTIFICATES OF RECOGNITION – MAY INCLUDE ORAL PRESENTATIONS COMMEMORATING BOARD MEMBER ACHIEVEMENTS AND SERVICE OF CSLB STAFF

Marlo Richardson

Chair De La Torre recognized former Board Member Marlo Richardson, who chaired the Public Affairs, Enforcement, and Licensing Committees during her tenure and served as all three Board officers, including serving as Chair during CSLB's last Sunset Hearing.

Board Member and Staff Comments:

Board Member Kevin Albanese thanked Ms. Richardson for her work on the Board and expressed that he enjoyed serving with her.

Board Member Johnny Simpson also thanked Ms. Richardson for everything she has done and that it was a pleasure serving with her.

Registrar David Fogt thanked Ms. Richardson for going above and beyond in support of CSLB staff. She attended and participated in many staff trainings, and she provided training recommendations for CSLB staff. Registrar Fogt thanked Ms. Richardson on behalf of CSLB staff for all that she did during her tenure as a Board member.

Chair De La Torre thanked Ms. Richardson for her service. Ms. Richardson was not available for comment at this time, but she spoke later in the meeting.



D. EXECUTIVE

1. Review and Possible Approval of December 10, 2020 and February 4, 2021 Board Meeting Minutes and February 4, 2021 Enforcement and Legislative Committee Meeting Minutes

MOTION: To approve the December 10, 2020 Board Meeting Minutes. Augie Beltran moved; Nancy Springer seconded. The motion carried, 14–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

MOTION: To approve the February 4, 2021 Board Meeting Minutes. Augie Beltran moved; Mary Teichert seconded. The motion carried unanimously, 14–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

MOTION: To approve the February 4, 2021 Enforcement Committee Meeting Summary Report. Nancy Springer moved; Miguel Galarza seconded. The motion carried unanimously, 14–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

MOTION: To approve the February 4, 2021 Legislative Committee Meeting Summary Report. Augie Beltran moved; Nancy Springer seconded. The motion carried unanimously, 14–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None



2. Registrar's Report

Chair De La Torre acknowledged the many noteworthy accomplishments throughout CSLB's divisions reflected in the 2020 Accomplishments and Activities Report.

a. Tentative Board Meeting Schedule

Registrar Fogt said that the Board has had a joint meeting with the Nevada Contractors Board every June for the last 11 years and is anticipating a September meeting with Nevada in person.

Chief Deputy Registrar Tonya Corcoran will survey Board members about their availability for the June, September, and December Board meetings.

b. Status Update on Contract with Consultant to Study Which CSLB License Classifications Should Install Battery Energy Storage Systems

Registrar Fogt provided an update on battery energy storage systems (BESS) consultant University of California at Berkeley with whom CSLB contracted in December 2020. He said that the contract requires UC Berkeley to consider the BESS risk, hazard, size, and complexity, as well as potential harm to the public that may occur in the future and whether regulatory action is necessary to amend the existing classifications that can do the work or if it should be restricted in some way. They will also be looking at the applicability of state and national standards and codes that will apply to the installation of the batteries, as well as what economic impact a restriction on the solar classification's ability or any class's ability to install BESS. Finally, UC Berkeley will be looking at the knowledge, skills, and training as they relate to safely installing BESS.

Registrar Fogt said that he and Chief of Legislation Mike Jamnetski met with UC Berkeley on March 12, 2021 to check on the status of the study, and they were very pleased that the study is well underway. In April, UC Berkeley will be reaching out to stakeholders, including the electrical industry, solar industry, and California building officials, as well as the Division of Labor Standards Enforcement (as it relates to any applicable training requirements).

c. Annual Accomplishments Report

Registrar Fogt thanked the Board for playing an active role and developing objectives that helped CSLB achieve quite a few consumer protection measures in the last year, which was somewhat challenging given the health pandemic. CSLB had a successful transition to a telework environment by working quickly to provide the equipment that



staff needed to work from home while continuing to provide a high level of service to consumers and to industry. CSLB implemented new license process changes by automating the sole owner license renewals and anticipates expanding that to other types of licenses soon to simplify the renewal process. The applicant workshops have been very helpful in explaining the licensing requirements to those who would benefit by obtaining a license and have helped qualified persons get licensed. The Enforcement program continued to perform investigations and take legal actions when necessary, even though much of the field work was curtailed for a considerable length of time in 2020. Regarding Legislation, the Board sponsored four bills that significantly benefit the public, and all four bills were signed and chaptered.

3. Budgets

a. CSLB Budget Update

Budget Manager Stacey Paul provided an update on the Board's budget. For expenditures through January of fiscal year (FY) 2020-21, the Board is continuing to meet its goal of reducing expenses to ensure that the Board has enough cash flow to ensure operations until the fee increase is secured. To date, the Board has spent approximately 53 percent of the budget authority, projecting to spend about the same amount as last year, \$66 million, on Board expenses. Revenue through January is up about 14.5 percent from the prior year; this is largely due to the emergency fee increase on renewals implemented in February 2020; however, there is also a steady increase in licensees paying delinquent fees. The final budget with adjustments for this fiscal year shows a decrease of \$3.3 million, mainly due to the employee pay cut of roughly nine percent.

Ms. Paul reported that the Board recently did a budget drill to achieve a budget cut for next year for \$550,000. This cut in funding was easily identified with the passing of AB 3087 (outsourcing of exam administration), which allowed for the closing of two test facilities along with their vacant positions over the next 18 months.

The Board approved \$7.1 million in expense reductions. Through January, the Board has saved \$6 million and is on target to meet or exceed the approved savings in remainder of the fiscal year.

The fund condition contained in the Board meeting packet projects out to budget year 2021-22. The projected revenue for this fiscal year is \$72 million. The total projected expenses are \$71 million, which includes the \$7.1 million in reductions from staffs' expense reduction plan. Without any of the reductions that have already occurred, the expenditures would significantly outpace the revenues and leave the Board, with a structural budget imbalance, in need of a loan, and in desperate need of a fee increase by next year end.



Ms. Paul reported that the Department of Finance has approved the budget change proposal for the Construction Management Education Account, and it is currently going through the Legislative budget hearing process for consideration in next year's budget. If approved, it would give CSLB the flexibility to increase or decrease the grant awards to the educational institutions based on the contributions received annually. CSLB is receiving more money than it is authorized to disperse from the account, which is why the budget change proposal was sought.

b. Statistics Summary

Ms. Paul reported that there is still a decline in license applications and licenses issued, likely due to the pandemic that also required closing of exam administration sites. However, renewals have remained consistent with an eight percent increase over two years and a 16 percent increase over last year.

4. Administration and Information Technology Services Overview

Chief Deputy Registrar Tonya Corcoran explained that the overview is a new document that was created to provide the Board with a detailed summary of roles, responsibilities, and activities by division. She provided the Board a detailed overview of the Administrative and Information Technology Services Divisions roles and responsibilities.

a. Review and Discussion on the Administration and Information Technology 2019-21 Strategic Plan

Chief Deputy Registrar Corcoran noted that the IT Strategic Plan objectives are not in the Board packet, but they will be reviewed with the IT Advisory Committee, consisting of Board members Frank Altamura and Susan Granzella April 2021. A strategic plan update will be provided to the full Board at the June 2021 Board meeting.

Chief of Administration Mike Melliza reported updates on the Administrative Strategic Plan objectives, reporting that all but objectives 5.7 and 5.8 are complete.

5. Administration Update Regarding Personnel and Facilities

Chief of Administration Melliza reported that 37 personnel transactions were completed in the second quarter of FY 2020-21 and that the Board has averaged 49 vacancies in the second quarter of this fiscal year. Staff participated in CSLB's "Career Development... Live!" event in February 2021, which was the first in a series of online events launched by CSLB's Career Development and Mentoring Program Steering Committee. The events will be continued and will highlight other divisions in the near future. A new location was identified for the Valencia Office and approved by DCA,



CSLB, and the Department of General Services. Staff moved to the new building in Santa Clarita on December 18, 2020.

6. Information Technology Update

Board Member Susan Granzella said that she and fellow Committee and Board Member Frank Altamura held an IT Advisory Committee meeting to discuss what was on the agenda for the Board meeting, as well as a few other issues. The Committee reviewed current technology and made comments about the need to include other relevant Board points for consideration in the future. Updates for the Board are planned in the future.

IT Chief Jason Perez highlighted a few changes to CSLB's website, including moving the Google Translate feature from the bottom of the website to the top to better assist California constituents by increasing the visibility of this feature and demonstrating the website's accessibility to a broader audience. A new "Alerts" section was added to CSLB's homepage where important information is posted as requested by the department, other departments, and the administration. The messaging is currently centered around increasing awareness for COVID-19 testing and vaccination information. CSLB's website now has a new link at the bottom of the homepage to the California Grants Portal where contractors can review available California business grants to support their companies.

Online renewals continue to be successful with approximately 40% of all sole owner renewals being processed through CSLB's website. In addition, since January, CSLB has processed over \$80,000 in citation payments, which came about through a successful collaboration between the Enforcement Division and IT.

Chief Perez added that IT also implemented retroactive renewals for the licensing system in January, and CSLB is now able to automatically update the record of an expired license up to 90 days after expiration. If renewal fees are paid and the renewal completed, the license history will not reflect a break in licensure.

Chief Perez reported that IT completed its biennial assessment by the United States military this month and had a technical closeout summary meeting at the completion of the assessment. The final debrief will be held in May 2021 and will be summarized at the June 2021 Board meeting.

Board Member Comment:

Board Member Rodney Cobos thanked Chief Perez for assisting when he experienced IT issues.



E. ENFORCEMENT

1. Enforcement Overview

Enforcement Committee Chair Kevin Albanese said that the recruitment bulletin to fill the vacant Chief of Enforcement position was released on Tuesday, March 23, 2021.

Chair Albanese provided an overview of the Enforcement Division roles and responsibilities and highlighted CSLB statistics. CSLB opens approximately 20,000 complaints each year, which decreased 17 percent in 2020. An average of 20 percent of the complaints are proactive or filed against unlicensed contractors. The Enforcement staff makes up more than half of all CSLB's staff.

a. Review, Discussion, and Possible Action on the Enforcement 2019-21 Strategic Plan

Chair Albanese reviewed the nine Enforcement objectives in the 2019-21 Strategic Plan, three of which are complete and six are ongoing, and provided the following updates on two of the objectives.

Item 2.4 is ongoing in the effort to identify workers' compensation violations and unlicensed contracting through social media activities and advertisements. Chair Albanese is optimistic that the Board-sponsored legislation to mandate such workers' compensation coverage will be successful, and he thanked staff for their continued focus on protecting consumers from unlicensed and uninsured practice.

Item 2.6 has a target date of December 2021 for the creation of online licensee education in collaboration with the Public Affairs Office and Licensing Division. To date, they have developed a building permit compliance video and are currently working on an educational tool for home improvement salesperson registration and home improvement contract requirements.

2. Enforcement Program Update

a. Staff Vacancy Update

Chair Albanese presented the Enforcement Program Update, including a vacancy update and summary of the implementation of expense reduction strategies. In November 2020, 26 positions were vacant, and 15 Enforcement staff were being



redirected to assist with COVID-19 contact tracing. CSLB would not ordinarily postpone filling vacant positions but doing so has been necessary to achieve the Board's expense reduction plan.

b. Expense Reduction Strategy Update

Chair Albanese indicated that, between January 1, 2020 and January 31, 2021, Attorney General (AG) expenses are currently averaging \$540,000 a month, below the \$580,000 goal. The arbitration billings are averaging \$48,000 a month; slightly above the goal of \$45,000. Industry Expert expenses average just \$15,000 a month, well below the goal of under \$50,000.

Chair Albanese explained that Enforcement staff expense reduction strategies have been mostly successful. They have implemented several strategies to improve legal action effectiveness and reduce costs, including increasing the utilization of Letters of Admonishment and informal office conferences with licensees for less serious stand-alone offenses that do not include a financial injury, rather than incurring the costs of AG representation for a formal citation and a possible appeal hearing before an administrative law judge.

Enforcement staff also began implementing a Board-approved Alternate Dispute Resolution program in June 2020 (as an additional expense reduction measure), which includes referral of consumers to small claims court and the license surety bond, rather than field investigation, for less egregious consumer complaints when CSLB mediation attempts have not been successful. However, due to fewer incoming complaints received in 2020, the unpopularity of the program, and other successful expense reduction strategies, Enforcement suspended the Alternate Dispute Resolution program in February 2021

c. Investigation Highlights

Chair Albanese reviewed two examples of successful mediations that led to satisfied consumers and contractors, including one that resulted in more than \$21 million in restitution to financially injured parties last calendar year. The Board packet contained an example of a license revocation case that resulted from the investigation of three consumer complaints. In another case, CSLB was instrumental in assisting the Los Angeles City Attorney's Office in a complex, unfair business practices case that involved a license contractor associated with an unlicensed contractor to obtain solar contracts, and involved 16 CSLB-investigative complaints, many of which alleged false email accounts to obtain Property Assessed Clean Energy (PACE) loans that were secured by liens on the consumers' property. Chair Albanese thanked CSLB staff and leadership for their efforts in assisting the Los Angeles City Attorney's Office.

**d. General Complaint-Handling Statistics**

Chair Albanese reviewed Enforcement statistics from January 2020 through January 2021 when CSLB initiated 16,660 investigations (down more than 3,400 from 2019) and received an average of 949 consumer filed complaints per month (down about 17% from the prior year).

Chair Albanese said that complaint negotiation efforts for non-egregious consumer complaints resulted in more than \$25 million in restitution to financially injured parties, and of the 1,629 legal action investigations, 30 percent were referred for criminal prosecution. In addition, SWIFT conducted 16 sting operations, participated in 63 sweep days, and responded to 740 leads. SWIFT closed 3,201 cases because of undercover stings, sweeps, and leads, 784 of which resulted in an administrative or criminal legal action, as well as the issuance of 1,431 advisory notices for minor violations. Additional SWIFT activities were included in the Board packet. The Labor Enforcement Task Force (LETF) information contained in the packet was the same as previously reported in December 2020 because LETF inspections were suspended in March 2020 due to COVID-19.

3. Two Proposed Rulemaking Decisions from the Public Utilities Commissions (PUC) for Board Member Review, Discussion, and Possible Support

Chair Albanese presented two proposed rulemaking decisions that highlight the continued partnership between CSLB and the PUC in combatting unlawful practice in the residential solar industry and provided background on these efforts. PUC Commissioner Martha Guzman Aceves is a founding member of the Joint Solar Taskforce along with CSLB Registrar David Fogt and Department of Financial Protection and Innovation Commissioner Manny Ramirez. The Taskforce has met quarterly since November 2018 to discuss and develop consumer protection strategies. These meetings have proven to be very successful and have resulted in a PUC proposed rulemaking decision to require investor-owned utilities (IOUs) to perform audits of interconnection packets that include solar contracts to confirm that contractors are licensed, among other things, and to make this information available to CSLB. These three agencies are involved because they each regulated different aspects of the residential solar marketplace.

Chair Albanese commented that Commissioner Guzman Aceves, who was a featured guest at the February 4, 2021 Enforcement Committee Meeting, explained at that meeting that PUC has been especially concerned about consumers who participate in NEM and find themselves in solar contracts that cost more than expected and/or with systems that produce less energy than expected and/or that were never connected to the electrical grid.



Seeking input and support from CSLB, Commissioner Guzman Aceves presented proposals to address these two concerns to the Enforcement Committee at its February 4th meeting.

a. PUC Net Energy Metering Solar Consumer Protection Requirement that Investor-Owned Utilities Provide CSLB with Consumer Contract Information

The first proposal is for IOUs to more thoroughly review the documents uploaded by contractors to the interconnection portals for customers participating in NEM. Interconnection portals are online databases implemented by IOUs that contain certain information CSLB would not ordinarily have unless the particular transaction was the subject of a CSLB consumer complaint. The information could be provided to CSLB upon request pursuant to existing memorandums of understanding ensuring confidentiality with the IOUs. CSLB would review the information received and initiate investigations as resources provide. Staff resources permitting, the Enforcement manager is prepared to implement the following strategies to achieve the consumer protection goals:

- Review 600 interconnection packets annually to ensure compliance with home improvement salesperson registration requirements and inclusion of CSLB solar disclosure document, project approximate start and completion dates, and appropriate down payment and progress payment information.
- For packets that are not in compliance, review the contractor's complaint history and take appropriate action to bring them into compliance or to seek corrective or disciplinary action against the licensee as appropriate.

At its February 4, 2021 meeting, the Enforcement Committee unanimously approved a motion that made the following recommendation:

MOTION: To approve the fully formed Enforcement Committee motion that the full Board support PUC's Enhanced Auditing proposal and Solar Transaction Record proposal. The motion carried unanimously, 14–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

b. PUC Establishment of a Recovery Fund for Net Energy Metering Solar Consumers



Chair Albanese indicated that the second proposal Commissioner Guzman Aceves presented at the February 2021 Enforcement Committee meeting relates to a residential solar recovery fund to assist homeowners and would involve the collection of an approximate \$12-\$20 additional surcharge at the time of interconnection to the electrical grid to establish a restitution fund. If the fund is created, CSLB will implement protocols to refer solar cases to the recovery fund for payout, including when the license is subject to a final administrative or legal action that includes an order of correction and the solar contractor has not satisfied the financial injury. Even if the license is already revoked or no longer renewable, CSLB will continue to identify all complaints received against that contractor to determine whether a probable violation has occurred and whether the complaint involves allegations that, if proven, would present a risk of harm to the public. CSLB will share the estimated consumer financial injury with the recovery fund.

Chair Albanese said that it is important to note that legislation will be required to compel contractors to reimburse the fund if the financial injury was not established through a formal disciplinary action/proceeding. CSLB's existing practice is to not re-license a person unless rehabilitation is shown by resolving all construction-related outstanding financial liabilities.

At its February 4, 2021 meeting, the Enforcement Committee unanimously approved a motion that made the recommendation below. Chair Albanese said that while he supports a restitution account, he thinks there could be better opportunities for the Board and/or PUC, such as considering a surety bond to better address the harm caused by the contractor.

MOTION: To approve the fully formed Enforcement Committee motion that the full Board support PUC's Recovery Fund for Net Energy Metering Solar Consumers proposal, with the modified protocol for contractors subject to complaints when other remedies have been exhausted. The motion carried unanimously, 14–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

F. LICENSING AND TESTING

1. Licensing Overview

Board Member Jim Ruane had Chief of Licensing Justin Paddock provided an overview of the Licensing Division's functions and an update on the Division's Strategic Plan.



Chief Paddock provided an overview of the different functions of the programs within the Licensing Division and Testing Division. Mr. Paddock noted that the License Information Center currently has a call wait time below the goal of five minutes at 4:45 minutes, and that within the Testing Division, examinations are currently being administered in seven locations throughout the state, and CSLB is working with DCA to outsource that function.

a. Review, Discussion, and Possible Action on the Licensing & Testing 2019-21 Strategic Plan

Chief Paddock said that a lot of the Licensing Division's Strategic Plan items have been met, and he provided updates on a few of the outstanding items, including items 1.4, 1.5, 1.7, and 1.12.

2. Licensing Program Update

Licensing Committee Chair Jim Ruane highlighted a few items for the Board.

a. Application Processing Statistics

Chair Ruane reported that the application units' staffing issues have greatly improved, with only one vacancy remaining. Therefore, processing times are starting to come down. Most notably, original exam applications that were at 8.8 weeks are now at 7 weeks. The goal is to be at 6 weeks in 30 days and at 4 weeks in 60 days. The exam waiver applications were at 7.1 weeks and are now at 5.8 weeks. The goal is to be under 5 weeks in the next month and at 3 weeks in 60 days. All other applications are processed within two to three weeks, which is the Board's ongoing goal for all licensing transactions.

b. Renewal Processing Statistics

Regarding CSLB license renewal and modification units, Chair Ruane said that the longstanding manager retired, and a new manager started this month. During the transition, there was an increased backlog; but as of this morning, CSLB is processing renewals received in the last 3 weeks, workers' compensation policies and exemptions received in the last 2 weeks, and license modification requests, such as address or business name changes, received within 4 weeks. Staff continues to utilize staff from other units to assist with processing renewals timely.

c. Fingerprinting/Criminal Background Unit Statistics

d. Experience Verification Statistics

**e. Licensing Information Center Statistics**

Chair Ruane indicated that call center wait times from April through December 2020 were excessively high. Since the call center staff received the necessary equipment to answer calls remotely in November 2020, call wait times began returning to our internal goal of under six minutes. In February 2021, the average wait time was 4:45 minutes, and in March it is currently hovering just below five minutes.

f. Judgment Unit Statistics

Chair Ruane indicated that the Board packet contains statistics confirming staff's continued success in assisting the public in collecting outstanding civil judgments and other state agencies in collecting wage, tax, and administrative penalties. CSLB's administrative license suspension program collected more than \$48 million in outstanding liabilities in 2020.

g. Examination Administration Unit**h. Examination Development Unit****3. Testing Program Update****a. Examination Administration Unit**

Chair Ruane indicated that testing centers closed in December 2020 and reopened on February 1, 2021 (as a result of the COVID-19 pandemic). During normal operations, staff expects a pending exam count of approximately 4,500; but when the test centers were reopened, the pending exam count was over 11,000. In the first few weeks, candidates were hesitant to sit for exams because they wanted additional time to study. After about a month of being reopened, most test centers were scheduling to capacity and began scheduling evening sessions to reduce the backlog. CSLB currently has approximately 10,600 pending exams. With the extended hours at capacity, approximately 1,200 exams can be administered per week. The goal is to reduce pending exams to below 7,000 in the next three months.

b. Examination Development Unit

Chair Ruane reported that the Exam Development Unit has held numerous item writing (test question) workshops by using a two-facility approach (one at CSLB headquarters in Sacramento and one in Norwalk) to minimize lodging and air travel expenses. After working out a few issues, it is working well.



4. Update on Test Development for New B-2 Residential Remodeling License Classification

Chair Ruane provided an update at each meeting on the new B-2 Residential Remodeling Contractor classification exam development. This fall, the Legislature and the Governor authorized the creation of this new classification (via Senate Bill 1189) and staff have been working to develop the necessary trade examination for this new classification. Even with the December and January exam administration closures, staff remain on track to provide this brand-new examination by August 1, 2021.

5. Advisory Committee Update on Women in Construction

Chair Ruane explained that in Fall 2020, Board Chair De La Torre appointed him and Board Secretary Mary Teichert to oversee staff outreach efforts to promote women participation in the construction industry. They recently sent a letter of support for a California Senate resolution that established March 7-13, 2021 as California's Women in Construction Week. This resolution was part of a national effort by the National Association of Women in Construction. Chair Ruane and Secretary Teichert have also had several meetings with the California Capital Women's Business Center and the North State Building Industry Association to develop a three-part seminar designed to assist women and minorities to pursue a construction industry career. Chair Ruane thanked current Board member and building official Nancy Springer for volunteering to be a panelist for this effort and indicated that Secretary Teichert has been instrumental in getting industry participation for the event.

Secretary Teichert said that there is widespread support for this mission and a lot of interest in having a larger portion of the workforce being interested in construction and particularly becoming licensed contractors.

Chair Ruane also highlighted another effort by Carpenters Local 1977 union to encourage women participation in the construction industry as shown on the brief video played at the Board meeting. He was pleased to see these types of efforts and encouraged the Board and the public to make CSLB aware of any other efforts they are aware of that the Board can promote or help support.

Board Member Comment:

Board Member Michael Mark said he appreciates all the hard work done by the Advisory Committee and it is a culture change that the trades are working diligently to do. He said that the carpenters have done well and noted that the organization Trades Women Inc., does well in providing more opportunities for women in the trades. Board Member Mark said that it would be great to have more women-owned licenses.



6. Review, Discussion, and Possible Action to Approve Construction Management Education Account Advisory Board Membership for July 2021-June 2024 Term

Chair Ruane reported on the Construction Management Education Account where CSLB annually provides grants to construction management programs through voluntary proceeds it collects from licensees and applicants. As part of the grant process each year, an advisory committee reviews CSLB staff recommendations on how to disburse the grants based on CSLB’s authority and which organizations applied for a grant that year. By statute, committee members serve three-year terms, and the current terms are set to expire this June. CSLB staff contacted the organizations enumerated in statute that must have a participant on the committee, and all the organizations responded and proposed the candidates shown in the Board packet.

MOTION: To appoint the members found on page 154 of the Board meeting packet to serve as the Construction Management Education Account Advisory Committee for the July 2021 to June 2024 term. Augie Beltran moved; Kevin Albanese seconded. The motion carried unanimously, 14–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Johnny Simpson, Nancy Springer, Mary Teichert

NAY: None

Public Comment:

Phil Vermeulen said that he represents Tokio Marine HCC, American Contractors Indemnity, and Suretec, that combined write approximately 65 percent of the license bonds in California. He said that he wanted to make the Board aware of an appellate court decision (Karton v. Ari Design and Construction)

Former Board Member Marlo Richardson provided a farewell and thanked everyone, especially the staff for doing an outstanding job and her co-Board members for all their support over the years. On behalf of Board staff, Registrar Fogt thanked Ms. Richardson for all she did as a Board member. Board Member Albanese said that he really enjoyed serving with Ms. Richardson, and he has a lot of respect for her and wishes her nothing but the best. Ms. Richardson thanked Registrar Fogt and Board Member Albanese.

G. PUBLIC AFFAIRS

1. Public Affairs Overview



Public Affairs Committee Chair Diana Love reported that she is one of the Board's public members and represents a statewide senior citizen organization. She reported that Chief Deputy Registrar Corcoran is temporarily overseeing the Public Affairs Office because the Public Affairs Chief and manager positions are both vacant. Recruitment efforts are underway to fill the Public Affairs manager vacancy, with interviews scheduled for the following week. The Public Affairs Chief position is anticipated to be filled in the months to come.

Chair Love explained that the overview provides a snapshot of the roles and responsibilities of the Public Affairs Office, including media relations, outreach, disaster response, social media, video production, and designing and editing publications.

a. Review, Discussion, and Possible Action on the Public Affairs 2019-21 Strategic Plan

Chair Love provided an update on Objective 4.6 on expanded website content to keep industry and licensees up to date on relevant information and an update on item 4.9 on updating the web content to ensure information presented to the public is accurate and accessible.

2. Public Affairs Program Update

Chair Love said that the Board packet contained activities that were captured from January 2020 through January 2021, many of which were previously in written or bulleted format that are now in charts for easier readability and reference. These new charts will be utilized in future Board and committee meeting packet materials.

a. Disaster Response

Chair Love reported that CSLB continues to participate on two multi-agency task forces established by the Office of Emergency Services – one focused on debris removal and one focused on housing. On February 25, 2021, Public Affairs staff presented information at the housing taskforce that included members from affected counties. The presentation included information for disaster survivors as well as an invitation to partner with CSLB on disaster rebuilding workshops.

b. Online Highlights

c. Video/Digital Services

Chair Love indicated that the Public Affairs Office created 16 videos, one of which was shown at the Board meeting – the “Get Licensed to Build” workshop video.

**d. Social Media Highlights**

Chair Love discussed social media highlights included in the Board packet, including daily posts on a variety of topics from getting licensed to build, using a licensed contractor, and reporting unlicensed activity to general messages from the Administration, such as COVID-related public information.

e. Media Relations Highlights**f. Publications/Graphic Design Highlights**

Chair Love reported on the updated listing of publications included in the Board packet, five of which were updated in English and Spanish.

g. Industry/Licensee Outreach Highlights

Chair Love reported that CSLB issued 27 industry bulletins over the past year.

h. Consumer/Community Outreach Highlights

Chair Love provided an update on the senior scam stopper seminars. A total of 24 senior scam stoppers were held and/or scheduled, and staff transitioned formats from in-person to virtual in May 2020, both of which have been very successful.

i. Intranet/Employee Relations

Chair Love reported that a total of 42 stories have been posted to the Intranet. Staff continue to update CSLB's employee intranet site with stories, photos, and informational updates. With most staff working remotely, the intranet is a good resource for staff to stay connected.

Chair Love also said that the updated "Get Licensed to Build" publication that was included with the Board packet is a 51-page comprehensive publication that covers the seven steps to becoming a licensed contractor, provides classification information, and provides answers to frequently asked questions throughout. The Spanish version is expected to be available in early May 2021. This is a source document for CSLB's "Get Licensed to Build" workshops. In addition, staff recently created a public service announcement to advertise the monthly workshops that CSLB offers – the video was played at the Board meeting.

H. LEGISLATION



1. Legislative Overview

Legislative Committee Chair Augie Beltran explained that CSLB's Chief of Legislation Mike Jamnetski works with two manager specialists – one who handles CSLB regulations and one who handles CSLB budgets and invited Chief Jamnetski to provide an overview of the Legislative Division, which he did.

a. Review, Discussion, and Possible Action to Amend Legislative 2019-21 Strategic Plan

Chief Jamnetski provided an update on the Legislative Division's Strategic Plan, saying that a number of the items are complete, and there are several ideas for developing some of the other items that will be discussed at the next Legislative Committee meeting. He provided a brief update on Item 3.4, explaining that he is working with the Senate committee consultant to determine if and when language involving an increase to the CSLB license bond will be introduced.

Chief Jamnetski explained that Item 3.8 relates to the structural budget imbalance that the Board has been experiencing and the consultant obtained to study CSLB's fees. The item relates to the possibility of a graduated fee increase for larger contractors, and the fee study does include that recommendation. CSLB staff have not been successful in obtaining a stand-alone author to carry the fee increase language after reaching out to more than two dozen legislators, which is not surprising given the current political climate, the pandemic, and struggling businesses. However, there are still many options for getting that language into a bill. The Assembly Business and Professions Committee has committed to helping the Board ensure that it gets the increase this year, and DCA is very optimistic that it will get done. It is a matter of dealing with all the moving parts on this mission critical issue, including the Legislature and the other boards that need fee increases, some of which are in sunset and others are not.

Board Member Comment:

Board Member Granzella said that she understands that it is difficult to give a date or an estimated timeframe for this item, but the study recommended fee increase implementation effective July 2021, so she asked when it would likely be effective through the means just discussed. She asked if it could be effective in September 2021. Chief Jamnetski said that if the fee increase language gets into a committee bill or a budget trailer bill, the fee increases should become effective January 1, 2022, and it would apply to the March 2022 license renewals. In the event CSLB is unable to get the fee increases approved this year, attempts would be made next year for implementation with the March 2023 license renewals. Chief Jamnetski said that CSLB's IT Division would need some time to make necessary system changes necessary for implementing the fee increases as well.



Board Member Granzella asked about the previously discussed possibility of bundling CSLB's fee increase with those of other DCA boards. Chief Jamnetski said that he anticipates that CSLB's fee increase language will be included in a bill that involves other boards, but it likely will not be with boards that are undergoing sunset review this year.

Chair Beltran said that he attended a Transportations Commission's meeting the day prior and understood that ample money may be available from the federal government and suggested to Registrar Fogt that the Board may want to consider getting some funds for Enforcement.

2. Update on Previously Approved Legislative Proposals

a. SB 216 (Dodd) Contractors: workers' compensation insurance: mandatory coverage

Chair Beltran indicated that SB 216 is a CSLB-sponsored bill that would require C-8 Concrete, C-20 HVAC, and D-49 Tree Service contractors to have a certificate of a workers' compensation insurance policy on file with CSLB effective in the first year after the bill is passed and for all contractors by 2025. Because the bill was set to be heard in the Legislature prior to the March 25, 2021 Board Meeting, on February 10, 2021, as the Chair of the Legislative Committee and with Board Chair approval, Chair Beltran authorized staff to submit a letter of support of this measure to the Legislature.

Chief Jamnetski thanked Chair Beltran and Board Chair De La Torre for the letter. On March 11, 2021, this CSLB-sponsored bill moved unanimously through the Business and Professions Committee. On March 22, 2021, it was placed on suspense in Appropriations. Chief Jamnetski is optimistic that this bill will move forward.

Board Member Comment:

Board Member Albanese thanked staff and everyone for their efforts to put AB 216 through. He thinks that this will be very helpful to the consumer.

b. AB 246 (Quirk) Contractors: disciplinary actions

Chair Beltran said that CSLB-sponsored AB 246 would make a licensed contractor's unlawful dumping of construction debris a cause of disciplinary action against the contractor. Because CSLB learned after the Committee meeting that the bill was set to be heard in the Legislature prior to the March 25, 2021 Board meeting, with Board Chair approval, Chair Beltran authorized staff to submit a letter of support of this measure to the Legislature on February 23, 2021.



Chief Jamnetski again thanked Chair Beltran and Board Chair De La Torre for their help with the letter. Many of the legislative items are time sensitive, and they come up with the need for CSLB's involvement before everyone can weigh in. On March 23, 2021, this CSLB-sponsored bill moved unanimously through the Business and Professions Committee. It is currently on its way to Appropriations.

Chair Beltran added that legislation can either move very fast or very slow, so having the Chair's and Board's help putting the letters out in a timely manner allows CSLB to have some influence on the legislation. He thanked everyone for their help.

c. AB 569 (Grayson) Contractors: civil penalties: letters of admonishment

Chair Beltran explained that CSLB-sponsored AB 569 increases the maximum civil penalty CSLB can assess against a contractor for most violations to \$8,000 and to \$30,000 for specified violations that include licensees contracting with an unlicensed contractor. It also authorizes CSLB to issue a Letter of Admonishment for more than one violation at a time. As with other bills, AB 569 was set to be heard in the Legislature prior to the March 25, 2021 Board meeting; therefore, on February 23, 2021, with Board Chair approval, Chair Beltran authorized staff to submit a letter of support of this measure to the Legislature.

On March 23, 2021, this CSLB-sponsored bill moved unanimously through the Business and Professions Committee. It is currently on its way to Appropriations.

3. Review, Discussion, and Possible Action on 2021-22 Pending Legislation

Chair Beltran said that there are several bills on the Board's agenda, but staff is only recommending votes on two of them – AB 484 relating to alarm companies' advertising requirements and AB 1124 relating to solar energy systems. Chair Beltran reminded the Board members that this is the time that members of the Board can make motions to change its position on any of the bills.

a. Bills Related to CSLB's \$500 Minor Work Exemption

- i. AB 899 (Cunningham) Contractors: unlicensed work: inflation adjustment**
- ii. SB 304 (Archuleta) Contractors: exemptions**

Chair Beltran explained that there are currently two bills that relate to CSLB's \$500 minor work exemption, and staff recommends that the Board remain neutral on both measures.



AB 899 and SB 304 relate to the minor work exemption in the California License Law (CSLL).

Chief Jamnetski explained that each proposal operates somewhat differently, and CSLB is not involved at all with either proposal. AB 899 would allow CSLB to raise the \$500 threshold on its own by regulation using an appropriate economic price measure, such as the cost of living or consumer price index. SB 304 would change the \$500 minor work exemption to \$1,000. This bill was just heard on Monday, March 22, 2021, so staff wanted to update the Board on some recent developments. This bill is sponsored by the California Association of Realtors. It was discussed for about an hour in committee, but CSLB was not involved, and concerns were raised by members of the Legislature, including if there had been any thought about defining “minor and inconsequential” work because it is not defined in the statute. Another member of the Legislature mentioned that the majority of CSLB’s consumer-filed complaints involve thousands and thousands of dollars; however, approximately 26 percent of complaints have a cost value for consumers in the range of \$500 to \$5,000, so there is still a need for consumer protection at the lower levels. In addition, CSLB was mentioned during the hearing as having supported an increase in 2019. While that is true, that did not project the whole story because the measure that CSLB sought an author for increasing the threshold from \$500 to \$1,000 in 2019 was really done as a back up to the B-2 residential remodeling license bill that was going through the Legislature at the same time and that ultimately passed. When the Board sought the exemption amount increase, some of the same issues brought up recently by members of the Legislature were also brought up at that time by the construction trades. Chief Jamnetski said that he wanted to be clear to the Board that there was opposition to this bill, primarily from trades and trade unions. The bill did get through the Business and Professions Committee and it is on its way to Appropriations, but a number of members did not vote on the bill.

Chair Beltran said that he was present at the Business and Professions Committee hearing on a different bill, and he overheard some of the testimony on this bill. He urged the Board to keep in mind that they are a group that is dedicated to consumer advocacy. One of the troubling things Chair Beltran heard was from a Senator asking the author if someone were to hire someone under this bill and they had some issues, how would the person resolve the issues, and the author’s reply was “small claims court.” He said that the Board is charged with consumer advocacy, and he feels that the Board would not be able to protect the consumer if this bill were to get through.

Board Member Comment:

Board Member Mark said that he appreciates the insight provided by Chief Jamnetski and Chair Beltran. While he was not part of the Board when the previous decision was



made about raising the exemption amount, from a consumer base, he is very concerned that if the exemption amount is increased to \$1,000, it would not be good for the consumers. There is an underground economy, and as these unlicensed individuals do work on consumers' homes, it will increase the amount of consumer complaints and they will have no one to go to.

Board Member Albanese said that he appreciates the analysis and the importance of the B-2 license and how it might interact with this. CSLB is a consumer protection board, and the Board agreed in 2019 to increase the exemption amount to \$1,000 from the existing \$500 that has been part of the CSLL since at least 1998. He said that he thinks CSLB's focus is on bigger issues, and he would not oppose either of the bills because he thinks it is an appropriate adjustment.

Board Member Altamura said that he would still support raising the exemption amount from \$500 to some higher amount.

Public Comment

Gabriel Hernandez said that he started in the industry doing really small jobs because he did not have the experience to get the license. He said that he cannot think of any jobs that cost just \$1,000 that would be consequential for the consumer; they would be very basic jobs. Mr. Hernandez said that increasing the exemption amount from \$500 to \$1,000 would open the opportunity for more people to get experience, not in the trade, but experience learning how to do contracts, estimates, and negotiating with the client. He thinks that would be very helpful for those who would like to work in this industry.

Richard Markuson, who represents the Plumbing, Heating, and Cooling Contractors of California (PHCC), said that they appreciate the Board's desire to be actively involved in consumer protection, but from PHCC's perspective, this is a choice for the consumer who could choose to continue to use licensed contractors, depending on the scope of the project and the availability of a contractor who is willing and able to do projects in the \$500 to \$1,000 range. In the contracting environment right now, there can be extreme delays when trying to find a contractor who is willing and able to do small jobs. Mr. Markuson thinks it is always something that is in the hands of the consumer to decide whether they want to use a licensed contractor with the protections that would come with a license or use an unlicensed handyperson who would be able to do the minor repairs. He said that the Board could consider something like a "consumer reminder" that, in the event a consumer hired a handyperson to do minor jobs, would remind the consumer that unlicensed individuals are not subject to the purview of CSLB, and a consumer would have to pursue any claims against an unlicensed person through small claims court or some other adjudication.



MOTION: To oppose AB 899 (Cunningham) and SB 304 (Archuleta) relating to raising the minor work exemption amount. Michael Mark moved; Johnny Simpson seconded. The motion carried, 8–5.

YEA: David De La Torre, Augie Beltran, Rodney Cobos, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Nancy Springer

NAY: Kevin Albanese, Frank Altamura, Miguel Galarza, Jim Ruane, Mary Teichert

ABSENT: Johnny Simpson

b. Bills Related to Reducing Barriers to Licensure

Chair Beltran said that there are currently three bills (AB 646, AB 1026, and AB 1386) that relate generally to removing barriers to licensure as it relates to veterans, military partners and spouses, and those with criminal convictions. Staff recommendation on AB 1026 and AB 1386 is to simply stay “neutral,” i.e., not take a position on the bills at this time. A motion is not required unless a Board member would like to make one.

i. AB 646 (Low) Department of Consumer Affairs: board: expunged convictions

Chief Jamnetski said that this is a “removing barriers to licensure” bill which allows CSLB to collect a fee to remove from the CSLB website convictions that have resulted in an expungement.

The measure, co-authored by the Chairs of Assembly and Senate Business and Professions Committees, has bipartisan support in the Legislature and is in line with CSLB’s Licensing Strategic Plan item to identify ways to remove barriers to licensure for those with criminal convictions. The staff recommendation in the packet is to “support” the bill; however, staff learned the week before the March 25, 2021 Board meeting that the bill was up for hearing on March 23. As a result, staff requested on March 18 that Chair Beltran use the authority provided in the Board Procedure Manual to authorize staff to send a support letter for the bill, with Board Chair approval. The letter was sent on March 19, 2021.

Board Member Comment

Board Member Altamura said that he thinks it is odd to charge a fee just to maintain CSLB’s records. He wonders if that is consistent with other recordkeeping activities for the Board. Board Member Altamura said that he was just opening it up for discussion if anyone else had any comments. Chief Jamnetski said that he believes the fee is there as a way to make the prospect more palatable for affected agencies, as opposed to just doing it because they were asked to. Board Chair De La Torre said that part of this



legislation is to remove barriers to licensure, so if the crime is not so egregious that it is able to be expunged, he has no problem with it. Chief Deputy Registrar Corcoran explained that for any additional services that require staff work such as license document processing it is typical for the state entity to charge a fee for the work.

- ii. **AB 1026 (Smith) Business licenses: veterans AND**
- iii. **AB 1386 (Cunningham) License fees: military partners and spouses**

Chief Jamnetski said that AB 1026 and AB 1386 are similar, both relating to easing barriers to licensure, which is a familiar topic to the Board. They relate to veterans of the armed forces and their families, and they would reduce or waive license or application fees under appropriate circumstances. The bills are included in the packet for two reasons – from a policy standpoint, for the Board to be aware of these bills and of the direction the Legislature is moving on this issue and, more importantly, because there is a fiscal impact on CSLB at a time when the Board has fiscal matters in mind, but the fiscal impact is extremely minimal.

c. Bills Related to Other Construction Related Issues

Chair Beltran indicated that there are six bills on this section of the agenda, on two of which staff are recommending a particular position. These bills relate to a number of different issues which might affect CSLB.

- i. **AB 484 (Medina) Alarm company operators: advertisements**

Chair Beltran said that this bill would permit a licensed alarm company regulated by CSLB to exclude their license number from radio and television ads if that information is included in their online website.

Chief Jamnetski said that there is a typographical error in the Board meeting packet – CSLB is not the sponsor of this bill. The sponsor is the California Cable and Telecommunication Association. The bill is included to alert the Board to possible confusion with the bill as written. The problem with this bill is that it mentions the CSLB by stating, “notwithstanding 7030.5,” which is CSLB’s advertising section of law. There are a number of contractors who perform the construction side of the alarm systems over which CSLB has jurisdiction, and the advertising requirements for contractors is different from those for alarm company operators. Contractors are required to include their license number in all their advertisements, and Bureau of Security and Investigative Services (BSIS) statutes cannot supersede CSLB statutory requirements.



Unless the bill is amended it will be confusing to Alarm companies that require a BSIS and CSLB license.

. CSLB's discussions with the bill's author have revolved around the need to strike the reference to Section 7030.5 to prevent the confusion, and the author has been receptive to the discussions. Until that change is made in the bill's language, staff's recommendation is to "watch" the bill, but to potentially "oppose" later if the change is not made.

MOTION: To Watch AB 484 (Medina) and to Oppose if not amended. David De La Torre moved; Jim Ruane seconded. The motion carried unanimously, 13–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Nancy Springer, Mary Teichert

NAY: None

ABSENT: Johnny Simpson

ii. AB 1124 (Friedman) Solar energy systems

Chair Beltran indicated that staff recommends taking action on AB 1124, which redefines a "solar energy system" from a "structural design feature of a building" to a "design feature" of many structures for the purposes of solar permit fees.

Chief Jamnetski said that according to the sponsors, the California Solar Storage Association, this bill is intended to just deal with a double building permit fee issue with regards to installing solar. In some jurisdictions, there is a way that there could be a double charge for permit fees, which is not intended by other legislation that is meant to cap permit fees. The sponsor said that this is occurring because of how "solar energy system" is defined in the Solar Rights Act, which is in the Civil Code, not in the CSLL. The bill takes the definition of "solar energy system" from a somewhat vague structural design feature to include a number of different works such as solar carports, solar awnings, solar canopies, etc. providing that all would be "solar energy systems" for the purposes of the Solar Rights Act. While this does not affect the CSLL, staff thinks there could be potential concern or confusion among applicants, licensees, and others about whether solar now includes these other structures which will likely require a general building contractors license or multiple specialty contractors to install. CSLB staff is in contact with the bill sponsors about this issue. As with the previous bill, until that change is made in the bill's language, staff's recommendation is to "watch" the bill, but to potentially "oppose" later if the change is not done.

**Board Member Comment**

Board Member Springer clarified that, while she agrees with making the amendment, regarding building permits, when solar is being installed on a roof, the building departments will require structural permits because the contractor will need to change the roof to be able to carry the extra load of the solar system, and that typically requires a general contractor to do that type of work. There can be confusion about what licenses need to do what work. The same could be for carports, where the solar contractor will do some work that is integral to the carport, but a general contractor will need to do other work, whether they are modifying an existing carport or building a new one. The building departments may give discounts for the permit relating to solar, but they have to look at the whole picture as well. Board Member Springer agrees that the bill language needs to change regarding the license requirements.

MOTION: To Watch AB 1124 (Friedman) and to Oppose if not amended. Jim Ruane moved; Nancy Springer seconded. The motion carried unanimously, 13–0.

YEA: David De La Torre, Kevin Albanese, Frank Altamura, Augie Beltran, Rodney Cobos, Miguel Galarza, Don Giarratano, Susan Granzella, Diana Love, Michael Mark, Jim Ruane, Nancy Springer, Mary Teichert

NAY: None

ABSENT: Johnny Simpson

- iii. **AB 1129 (Frazier) Home Inspectors License Law**
- iv. **AB 1136 (Rivas) Property Assessed Clean Energy program: enforcement: ancillary relief**
- v. **SB 430 (Borgeas) Small businesses: reduction or waiver of civil penalties for violation of regulations or statutes**
- vi. **SB 772 (Ochoa Bogh) Professions and vocations: citations: minor violations**

Chair Beltran indicated that staff recommends simply staying “neutral,” i.e., not taking a position at this time, for the remainder of the bills in this section of the agenda. They are included in the meeting packet for the Board’s information and any discussion if needed. A motion is not required unless a Board member would like to make one.

Chief Jamnetski said that these four bills are only for informational updates and briefly summarized AB 1129, involving the licensing of home inspectors, which as written, would put a home inspector licensing program at the Department of Consumer Affairs.



Regarding AB 1136, Chief Jamnetski explained that it is about PACE and the Board should be aware because, as discussed earlier under the Enforcement update, PACE remains a consumer protection issue. CSLB does not regulate the PACE assessment contracts that homeowners get into that are sold by people who sell solar systems. The Department of Financial Protection and Innovation (DFPI) identifies PACE solicitors and their agents who sell the assessment contracts and requires that they hold a contractor's license or home improvement salesperson registration with CSLB. This bill allows DFPI to require that PACE solicitors or their agents pay restitution to homeowners who are harmed by the sale of the PACE assessment contracts. CSLB staff thinks it would be helpful for the Board to be made aware of any action or restitution order issued against a PACE solicitor agent that is also a CSLB home improvement salesperson (HIS). Staff.I recommends telling the author that if DFPI takes action against a CSLB registered HIS that it notify CSLB of this action so that CSLB may consider taking action against the registration

Regarding SB 430 and SB 772, Chief Jamnetski said that the bills are similar to each other and would reduce civil penalty fees for small businesses that are subject to an enforcement complaint. SB 772 has not been heard yet, but SB 430 made its way to Appropriations. The Board is being told about these bills because they are doing the exact opposite of what CSLB is seeking to do under one of its sponsored bills, which is to increase the civil penalty fees. Versions of these two bills have come out in the last couple of years, and they have all died in Appropriations. These bills would require CSLB and other agencies to reevaluate how they issue civil penalties.

Public Comment

David Pace, Legislative Chair of the California Real Estate Inspection Association (CREIA), said CREIA is oldest and largest non-profit state inspector association in the country and in California for education and consumer outreach. He said that CREIA strives to enhance consumer protection and promote public awareness, and they are not opposed to licensing in concept. They are reviewing AB 1129 with their vision to protect lives, health, and investments; their mission of promoting excellence in real estate inspection professions; and their core values of integrity, competence, belonging, and passion. In CREIA's view, there are several essential components for any statutory scheme for the licensure of home inspectors, including mandatory passing of an examination for licensure, requirements for specific education necessary to obtain a license, criminal background checks in order to protect homeowners, reasonable licensure fees, errors and omissions insurance requirement, a specific renewal period or cycle, standards of practice (those of CREIA and the American Society of Home Inspectors are both recognized by the State of California), requirement of at least 30 hours of continuing education on an annual basis provided by state-approved education providers, grandfathering exemption provision for those who have obtained a level of experience prior to the effective date of the requirements, and no exemptions for licensed building contractors, pest control operators, architects, or professional



engineers, who have expertise in their area of specialty, but may lack knowledge and experience outside of their specialty. Finally, there should be a state regulating body to establish and implement policies and procedures. Mr. Pace thanked the Board for their time.

Mr. Vermeulen, speaking on behalf of working 40 years with trade associations and the Board, said that he agrees with much of what Mr. Pace said, but he thinks it makes absolutely no sense to reinvent the wheel and create a whole new bureaucracy with the expense and the need to obtain the expertise when CSLB is already in existence. He said that every one of these inspectors should have at a minimum a B – General Building contractor license and a background in construction, as well as possibly some other certification, or create a license classification that would contain other things, such as appliances, etc. Mr. Vermeulen urged the Board to get on board with the bill and support home inspectors becoming part of CSLB.

I. ADJOURNMENT

Board Chair David De La Torre adjourned the meeting at approximately 11:52 a.m.

David De La Torre
David De La Torre, Chair

3/25/2021
Date

David Fogt
David Fogt, Registrar

3/25/2021
Date