



CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT COMMITTEE MEETING SUMMARY REPORT

Enforcement Committee Meeting Summary Report January 26, 2022

A. Call to Order, Roll Call, Establishment of Quorum, and Chairs Introduction

Enforcement Committee Chair Rodney Cobos called the meeting of the Contractors State License Board (CSLB) Enforcement Committee to order on January 26, 2022, at 9 a.m., via WebEx teleconferencing. A quorum was established.

Committee Members Present

Rodney Cobos, Chair
David De Le Torre
Diana Love
Michael Mark
Cindi Rich

Committee Members Excused

Don Giarratano

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Jessie Flores, Deputy Chief of Enforcement
Jason Hurtado, DCA Legal Counsel
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Counsel

B. Public Comment

There was no public comment.

C. Review, Discussion, and Possible Action on Target Dates for the Enforcement Strategic Objectives of the Board's 2022-2024 Strategic Plan

Objective 2.1

Chair Cobos introduced strategic objective item 2.1 which reads: Leverage current enforcement tools (letters of admonishment and accusations) to increase licensee and business knowledge by requiring contractors subject to CSLB corrective action take specified courses.



Chair Cabos commented that CSLB Enforcement staff will meet with construction industry leaders and government agency partners to determine what courses would best meet the needs of licensees and will work with the Public Affairs office to develop additional online training courses like the Building Permit Training video that can be found on the CSLB website.

Enforcement staff has set a target date of July 2022 to begin the process of identifying training needs.

Committee Member Comment:

There was no comment.

Objective 2.2

Chair Cobos introduced strategic objective item 2.2 which states the Board will research the scope of unlicensed practice, evaluate allocated enforcement resources, and meet with industry stakeholders to review enforcement strategies.

CSLB Enforcement leadership will establish a working group that will prepare a scope of work to hire an outside consultant to assist in developing a plan assess and address unlicensed practice, and its impacts on the underground economy.

The proposal for hiring a consultant will be presented to the members of the Enforcement Committee by the target date of July 2022.

Committee Member Comment:

There was no comment.

Objective 2.3

Chair Cobos moved on to strategic objective item 2.3. This objective states: Coordinate educational workshops with agency partners to assist applicants and licensees in complying with contractors' state license law (CSLL) and other business requirements.

Chair Cobos commented that CSLB staff will make a presentation at the March 2022 meeting of the Joint Enforcement Strike Force to request their support for this objective.

Chair Cobos explained that the Joint Enforcement Strike Force or JESF, is a statutorily established collaboration of California tax, wage, workplace safety, and state licensing agencies. Participants include the Employment Development Department, Department of Industrial Relations Division of Labor Standards Enforcement and Division of Occupational Safety and Health, and the Department of Insurance.

JESF works with local and federal agencies to:



- Combat the underground economy in California.
- Promote a level playing field for California businesses.

CSLB staff will present an educational workshop plan to the Enforcement Committee by the target date of July 2022.

Committee Member Comment:

Committee Member David De La Torre asked if the training programs would be held remotely or in person.

Deputy Chief of Enforcement Jessie Flores answered that the goal is to participate in their scheduled training remotely and move to in-person when feasible.

Objective 2.4

Chair Cobos introduced strategic objective item 2.4, that states: Review and create a structured enforcement training program with an enforcement academy to achieve statewide investigation and legal action consistency.

CSLB staff has set a target date of July 2023.

CSLB staff will create an updated training program and enforcement academy for committee consideration.

Committee Member Comment:

Committee Member Michael Mark asked for staff to provide additional information regarding this item.

Deputy Chief Flores stated that previously CSLB had a one-week Enforcement Academy that provided instruction on how to perform investigations, interview witnesses, support violations of law, and testify in hearings. Deputy Chief Flores expressed optimism that when COVID is a less concern staff can relaunch the Enforcement Academy.

Committee Member De La Torre asked if it would be with existing staff or would staff be added.

Deputy Chief Flores replied that new staff would benefit from the training. The Office of the Attorney General is expected to take the lead on conducting the training.

Objective 2.5

Chair Cobos then introduced strategic objective item 2.5, that states: Develop a plan for public works enforcement to perform outreach to awarding agencies and coordinate



public works investigations with compliance groups and government entities to enforce Contractors State License Law requirements.

CSLB staff will research the need and present a plan to the Enforcement Committee that may recommend redirection of two existing investigators to:

- Investigate public works complaints and
- to act as liaisons to awarding agencies, compliance organizations, and other government entities

This plan will be presented to the Enforcement Committee by the target date of July 2022.

Committee Member Comment:

Committee Member Diana Love asked why “develop a plan was stricken out.” Deputy Chief Flores stated a proposed plan had substantially been developed. This objective was needed for staff to perform additional research on the need and for the committee to review and possibly approve the plan.

Committee Member Mark stated that he sees this as an important goal and as a way to partner with Division of Labor Standards Enforcement. He said he appreciates this objective.

Registrar David Fogt added to Deputy Chief Flores’ last statement by confirming staff will propose meeting with compliance groups to identify public works partnering opportunities to bring to the Enforcement Committee for consideration.

Objective 2.6

Chair Cobos introduced final Enforcement strategic objective item 2.6 that states: Continue to enforce workers’ compensation insurance requirements to protect consumers and workers and scrutinize licensees who self-certify they have no employees.

Chair Cobos confirmed that on January 13, 2021, Senator Dodd introduced Senate Bill 216 (SB 216) which would require mandatory workers’ compensation insurance for all license classifications. This bill was most recently updated on March 15, 2021, in the senate and is active in the legislative process. As such the target date is “on going.”

Public Comment:

There was no public comment.

Motion: Approve the Enforcement strategic plan. David De La Torre moved; Diane Love seconded. The motions carried unanimously, 5-0.



COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Rodney Cobos- Chair	✓				
David De La Torre	✓				
Don Giarratano			✓		
Diana Love	✓				
Michael Mark	✓				
Cindi Rich	✓				

D. Adjournment

Motion: Adjourn the January 26, 2022, Enforcement Committee meeting. David De La Torre moved; Diane Love seconded.

Committee Chair Rodney Cobos adjourned the Enforcement Committee meeting at 9:23 a.m.



CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS COMMITTEE MEETING SUMMARY REPORT

Public Affairs Committee Meeting Summary January 26, 2022

A. Call to Order, Roll Call, Establishment of Quorum, and Chairs Introduction

Public Affairs Committee Chair Michael Mark called the meeting of the Contractor State License Board (CSLB) Public Affairs Committee to order on January 26, 2022, at 9:24 a.m. via WebEx teleconferencing. A quorum was established.

Committee Member Present

Michael Mark, Chair
Rodney Cobos
David De La Torre
Diana Love
Cindi Rich

Committee Members Excused

Don Giarratano

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Joyia Emard, Public Affairs Manager
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Staff

B. Public Comment

There was no public comment.

C. Review, Discussion, and Possible Action on Target Dates for the Public Affairs Strategic Objectives of the Board's 2022-2024 Strategic Plan

Objective 4.1



Chair Mark introduced strategic objective item 4.1 which is to expand CSLB's online presence through both standard platforms and emerging technologies to improve effectiveness in educating consumers and the industry.

Chair Mark pointed out that this objective was edited to provide additional clarity. New text is noted as underlined and deleted text is shown as strike-out.

Chair Mark stated that currently, public affairs staff is boosting CSLB's consumer protection message by increasing the number of short video clips on social media and by translating existing videos into Spanish. He said video is one of the fastest growing forms of media on social platforms. He said staff is also exploring increased use of Nextdoor and is considering a monthly Facebook Live video presentation and examining podcasting opportunities.

In addition, Chair Mark said he would like to see CSLB work with partners, utilizing websites and social media, to help educate licensees and the public.

Chair Mark recommended that public affairs staff report back to the committee on their progress at the June 2022 board meeting. This objective is an ongoing effort.

Committee Member Comment:

There was no comment.

Objective 4.2

Chair Mark introduced strategic objective 4.2, which will establish a CSLB-specific new board member orientation to educate board members about legislative processes, licensing and testing functions, and enforcement procedures.

Chair Mark commented that it is important that new board members be educated about CSLB to better fulfill their duties, therefore he recommended that the first action be to set up an internal work group made up of representatives from public affairs, licensing, legislation, and enforcement divisions to determine content that will best assist new board members.

Chair Mark requested a draft script be presented to the committee in summer 2022. The proposed target date for a completed video is January 2023.

Committee Member Comment:

Committee Member David De La Torre offered his support to objective 4.2.

Chair Mark stated that he also supports this objective and found the "Welcome Binder" for new board members very helpful when he was appointed.

Objective 4.3



Chair Mark introduced item 4.3 to update the website content, accessibility, and navigation to improve the user experience.

Chair Mark stated this objective was edited to provide additional clarity. New text is noted as underlined.

Chair Mark recommended CSLB hold a stakeholder meeting that includes consumer and industry representatives and conduct a survey to better understand the needs of the public and licensees as they relate to the website. He said Public Affairs can then conduct a complete review of the CSLB website to determine how better to organize information, so it is easier to navigate and more user friendly.

Chair Mark asked staff to begin this process right away and report back to the committee in June 2022. This objective is ongoing as the website will need continued attention and updating.

Committee Member Comment:

Chair Mark encouraged website updates as it is the most used tool, especially the licensing look-up function.

Objective 4.4

Chair Mark announced objective item 4.4, to develop video tutorials on processes and procedures to reduce consumer, licensee, and applicant errors (e.g., how to complete forms).

Chair Mark indicated this objective was edited. New text is noted as underlined and deleted text is shown as strike-out.

Chair Mark recommended that Public Affairs, Enforcement, and Licensing staff work together to determine where common user-errors occur when filling out applications and forms to create short tutorial videos to assist licensees and the public with the proper completion and submittal of these forms.

He said the proposed target date to meet with other CSLB divisions is spring 2022 and staff will report back to the committee on their findings in June 2022. Staff will then produce two videos per year beginning in 2022.

Committee Member Comment:

Chair Mark suggested changing the language “e.g.,” to “for example.” Chief Deputy Registrar Tonya Corcoran stated that CSLB staff will make the change.

Objective 4.5



Chair Mark introduced final strategic objective item 4.5 to develop communications with C-20 (Warm-Air Heating, Ventilating and Air-Conditioning) and C-38 (Refrigeration) contractors on energy work in line with Governor Newsom’s carbon reduction goals.

As a CSLB public board member and Sheet Metal Business Representative, Chair Mark expressed his enthusiasm about the opportunity this objective provides to protect consumers and further Governor Newsom’s decarbonization goals by ensuring that a contractor obtains a building permit when replacing a heating and air conditioning system. He said the permit ensures that the system is installed appropriately, and existing duct work is pressure tested to confirm it does not have excessive leakage. He stated consumers benefit from lower energy bills because heating and cooling is not lost by excessive leakage. Chair Mark said he is looking forward to working with staff to develop public outreach information on this topic.

Chair Mark recommended staff begin development of a communication plan now with completion in December 2022. He said progress will be shared with the committee in June 2022.

Committee Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Motion: Approve the Public Affairs strategic plan. David De La Torre moved; Rodney Cobos seconded. The motion carried unanimously, 5-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Michael Mark - Chair	✓				
Rodney Cobos	✓				
David De La Torre	✓				
Don Giarratano			✓		
Diana Love	✓				
Cindi Rich	✓				

D. Adjournment

Motion: Adjourn the January 26, 2022, Public Affairs Committee meeting. David De La Torre moved; Diana Love seconded.

Committee Chair Michal Mark adjourned the Public Affairs Committee meeting at 9:41 a.m.



CONTRACTORS STATE LICENSE BOARD

EXECUTIVE COMMITTEE MEETING SUMMARY REPORT

Executive Committee Meeting Summary Report January 26, 2022

A. Call to Order, Roll Call, Establishment of Quorum, and Chairs Introduction

Executive Committee Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) Executive Committee to order on January 26, 2022, at 10 a.m. via WebEx teleconferencing. A quorum was established.

Committee Members Present

Susan Granzella, Chair
David De La Torre
Diana Love
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Justin Paddock, Chief of Licensing
Jason Perez, Chief of Information Technology
Joyia Emard, Executive Staff
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Counsel

B. Public Comment

Member of the public J.P Tenore stated he noticed CSLB focuses mostly on residential and not on low voltage C-7 or C-10 and the gig economy. He requested this be added to a future meeting agenda.

Registrar David Fogt asked if Tenore could please put contact information in the chat and Enforcement Chief Jessie Flores would reach out.

C. Recognition

Chair Granzella recognized Chief of Licensing Justin Paddock for his past three years of service and leadership at the Board. Chair Granzella stated Chief Paddock was present for the meeting today, but this will be his last meeting as he was recently appointed by Governor Newsom as Chief of the Bureau of Household Goods and Services.

Chair Granzella went on to recognize that Chief Paddock has done a great job as the licensing chief. Chief Paddock was instrumental in updating the C-49 tree contractor



requirements, implementing the new residential remodeling contractor classification, and working with IT to get many licensing transactions online during the pandemic.

Chair Granzella stated that in addition to handling regular licensing duties, Chief Paddock always found time to help others. One such example is while Chief Deputy Registrar Tonya Corcoran was out on special assignment, Chief Paddock assisted the division chiefs with administrative matters and provided vital assistance in preparing for board meetings. Chair Granzella also pointed out that Chief Paddock volunteered to take the lead on establishing the CSLB COVID testing and mandatory reporting program required of the Board.

Chair Granzella concluded that it has been a pleasure and honor to recognize Chief Paddock's hard work and dedication.

Committee Member Comments:

Registrar Fogt thanked Chief Paddock for his hard work and customer service commitment.

Committee Member David De La Torre stated Chief Paddock has been very helpful and wished him well.

Committee Member Diana Love thanked Chief Paddock for his assistance answering questions and answering her calls promptly. Member Love went on to say Chief Paddock will be missed.

Committee Member Mary Teichert thanked Chief Paddock and acknowledged all his work in the series for women interested in becoming licensed contractors.

Chief Paddock thanked the committee and the Board for their support and guidance. Chief Paddock went on to wish CSLB the best of luck.

Chair Granzella noted that Chief Deputy Registrar Corcoran had been appointed to a Department of Consumer Affairs executive staff position, CSLB will recognize Chief Deputy Corcoran at the March board meeting.

Public Comments:

Richard Markuson congratulated Chief Paddock and thanked him for his assistance to the construction industry.

D. Review, Discuss, Changes to Board Member Administrative Procedure Manual

Chair Granzella introduced changes to the Board Member Administrative Procedure Manual. Chair Granzella stated that throughout the document reference to "he or she"



has been replaced with gender-neutral language. Referenced policies, memorandums, website addresses, and statutory references had been reviewed and updated.

Chair Granzella’s final proposed change brought to the committees’ attention is on page 48 and is specific to salary per diem. The section has been updated to clarify what will be paid for attendance at official board and committee meetings with the addition of DCA training. This section also clarifies that substantial service performed by a board member to attend official gatherings, events, hearings and conferences or meetings is more than one hour. Chair Granzella further clarified that the Board Chair will perform a final approval of all salary per diem or travel-related expenses.

Committee Member Comments:

Committee Member De La Torre supported the new language and clarification.

Public Comments:

There was no public comment.

Motion: Approve the 2022 Board Member Administrative Procedure Manual. David De La Torre moved; Diana Love seconded. The motion carried unanimously, 4-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella, Chair	✓				
Mary Teichert	✓				
Diana Love	✓				
David De La Torre	✓				

E. Review, Discussion and Possible Action on Target Dates for the Executive – Administrative and Information Technology Strategic Objectives on the Board’s 2022-2024 Strategic Plan

Objective 5.1

Chair Granzella introduced strategic objective item 5.1, which is reporting to the Board on IT security to protect and secure CSLB sensitive data. Chair Granzella stated the target date is ongoing because staff have implemented security measures.

Chair Granzella expressed appreciation for Board Member Frank Altamura continuing to work with her on a two-person advisory committee. They recommend that the first action taken is for the IT Advisory Committee to meet with Chief of Information Technology Jason Perez to identify what can be publicly discussed and the best format and frequency for presenting this information to the Board.

Committee Member Comments:



There was no comment.

Objective 5.2

Chair Granzella introduced item 5.2 to research and develop tools in addition to existing annual surveys that will provide the Board and staff with feedback on the public's perception of staff performance and customer service. The proposed target date is ongoing because surveys are currently in use.

Chair Granzella asked that staff develop a plan for additional surveys to "tell us how we are doing" and report back to the Executive Committee July 2022. The surveys should be readily accessible, and data routinely reviewed.

Committee Member Comments:

There was no comment.

Objective 5.3

Chair Granzella moved on to strategic objective item 5.3 which is to replace the automated phone system to ensure callers can speak to a representative in a timely fashion. The proposed target date is March 2023.

Chair Granzella recommended that an internal workgroup comprised of licensing, public affairs and IT staff be established. Licensing can review statistics, staffing, and work with IT to identify key functionality for a new system. Public Affairs can take the lead on developing recommendations for improving the existing phone tree and updating content for the CSLB website. IT can research automated phone systems.

Committee Member Comments:

Committee Member De La Torre stated that CSLB can't lose touch with the human aspect and supports the objective.

Chair Granzella agrees with Committee Member De La Torre and supports this objective.

Committee Member Love asked if CSLB is looking at replacing the system or are looking for a system that offers a call-back feature. Chief Perez answered that CSLB is building the requirements and looking at options. CSLB will be doing that as a workgroup with Licensing, Public Affairs, and IT.

Objective 5.4



Chair Granzella introduced strategic objective item 5.4 to improve staff recruitment, onboarding, and training/team building for staff development. The proposed target date is July 2022.

Chair Granzella requested Administrative staff develop a plan and report back to the Executive Committee in July 2022.

Committee Member Comments:

There were no comments.

Objective 5.5

Chair Granzella introduced the last strategic objective item 5.5, requesting the Board evaluate applicant and licensee online logins or profiles to help tailor the content to the user, track submissions/interactions, etc.

The target dates are:

December 2022: Procure the product

December 2023: Implementation

Chair Granzella requested IT staff discuss the different platforms researched and associated costs at the next IT Advisory Committee.

Committee Member Comments:

There was no comment.

Public Comments:

JP Tenore left contact information in the chat.

Motion: Approve the Executive – Administrative and Information Technology strategic plan objectives and target dates. Diana Love moved; Mary Teichert seconded. The motion carried unanimously, 4-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella, Chair	✓				
Mary Teichert	✓				
Diana Love	✓				
David De La Torre	✓				

F. Adjournment

Executive Committee was adjourned by Chair Granzella without a motion at 10:25 a.m.



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE MEETING SUMMARY REPORT

Licensing Committee Meeting Summary Report January 26, 2022

A. Call to Order, Roll Call, Establishment of Quorum, and Chairs Introduction

Licensing Committee Chair Miguel Galarza called the meeting of the Contractors State License Board (CSLB) Licensing Committee to order on January 26, 2022, at 10:27 a.m., via WebEx teleconferencing. A quorum was established.

Committee Members Present

Miguel Galarza, Chair
Frank Altamura
Steve Panelli
Jim Ruane
Johnny Simpson
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Justin Paddock, Chief of Licensing
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Staff

B. Public Comment

LaTonya Hawkins asked to speak and said she would address her concerns under the specific agenda item.

C. Review, Discussion, and Possible Action on Target Dates for the Licensing and Testing Strategic Objectives of the Board's 2022-2024 Strategic Plan

Objective 1.1

Chair Galarza introduced strategic objective item 1.1, requesting CSLB assess barriers to licensure for women and minorities and create an outreach plan to community colleges, construction management programs, labor unions, and workforce development groups to increase licensee diversity and create a better understanding of applicants and licensees.



Chair Galarza stated that considering this objective was started with the recent woman in construction workshops conducted under the leadership of Board Member Jim Ruane and facilitated by Board Vice Chair Mary Teichert. The proposed target date is ongoing.

Chair Galarza recommended that the first action taken is for the Licensing division staff to prepare a brief report for the summer 2022 board meeting on the following:

1. CSLB's activity to date on this issue.
2. A summary on any recent reports on barriers to licensure in the construction industry or licensing in general.
3. Develop a draft outreach plan for the Fall and Winter of 2022 that includes participation with industry groups and speaking at community colleges, construction management programs, labor unions, and workforce development groups.

Committee Member Comments:

There was no comment.

Objective 1.2

Chair Galarza introduced strategic objective item 1.2, that requests CSLB study and appraise opportunities to waive examination requirements for out-of-state contractors to reduce barriers to licensure.

Chair Galarza proposed a target date of June 2023.

Chair Galarza asked for staff to summarize how other states approach this matter and to present findings to the Board in the winter of 2022.

Board Member Comments:

Committee Member Frank Altamura stated that the new language appears to have changed the meaning.

Licensing Chief Justin Paddock offered to discuss the matter offline and asked Chair Galarza to authorize further discussion.

Chair Galarza agreed.

Objective 1.3

Chair Galarza introduced strategic objective 1.3, that provides for CSLB to continue automating and streamlining all online application, licensing, and examination processes to improve processing efficiency.



The proposed target date is December 2024.

Chair Galarza recommended that an internal workgroup comprised of licensing and IT staff be established. He requested the work group provide summer and winter updates to the Board on procurement and implementation of new Licensing automation application systems

Committee Member Comments:

There was no comment.

Objective 1.4

Chair Galarza introduced strategic objective item 1.4, requesting the Board assess and report on how to incorporate new and emerging technologies into the licensure process to ensure licensees continue to represent reliability in contracting excellence.

The proposed target date is ongoing, however, Chair Galarza requested that Licensing staff provide an annual report to the Board each summer.

Committee Chair Comments:

There was no comment.

Objective 1.5

Chair Galarza introduced strategic objective item 1.5, stating that the Board, in partnership with Public Affairs, streamline and eliminate jargon on CSLB licensing webpages, handouts, publications, and forms to reduce user confusion and processing times.

The target date is December 2022 and ongoing.

Chair Galarza asked that Licensing and Public Affairs staff review all licensing and application webpage content and update webpages in order of importance.

Committee Member Comments:

There was no comment.

Objective 1.6

Chair Galarza concluded with strategic objective item 1.6, that advises the Board to complete the exam administration outsource transition and assess remote testing options.



The target date is October 2022.

Chair Galarza stated this process is already underway and requested that IT and Licensing staff provide the Board a progress update on the transition at each board meeting in 2022.

Committee Member Comments:

There was no comment.

Public Comments:

LaTonya Hawkins, from Construction Resource Center, requested the Board provide representatives via Zoom to answer contractors’ licensing questions twice a month and recommended CSLB increase availability. LaTonya Hawkins also recommended a “Brown Bag with a Board Member” on a quarterly basis to answer exam and license questions. Hawkins advised that their company offers classes and intends to increase minority presence in the industry.

Chief Paddock asked LaTonya Hawkins to leave contact information in the chat.

Motion: Approve the Licensing and Testing Strategic plan objectives and target dates. Jim Ruane moved; Steve Panelli seconded. The motion carried unanimously, 6-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Miguel Galarza- Chair	✓				
Frank Altamura	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert	✓				

D. Adjournment

Motion: Adjourn the January 26, 2022, Licensing Committee meeting. Mary Teichert moved; Jim Ruane seconded.

Committee Chair Miguel Galarza adjourned the Licensing Committee meeting at 10:46 a.m.



CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE COMMITTEE MEETING SUMMARY REPORT

Legislative Committee Meeting Summary Report January 26, 2022

A. Call to Order, Roll Call, Establishment of Quorum, and Chairs Introduction

Legislative Committee Chair Jim Ruane called the meeting of the Contractors State License Board (CSLB) Legislative Committee to order on January 26, 2022, at 10:50 a.m., via WebEx teleconferencing. A quorum was established.

Committee Members Present

Jim Ruane, Chair
Frank Altamura
Miguel Galarza
Steve Panelli
Johnny Simpson
Mary Teichert

CSLB Staff Present

David Fogt, Registrar
Tonya Corcoran, Chief Deputy Registrar
Michael Jamnetski, Chief of Legislation
Mariah Rovera, Executive Staff

DCA Staff Present

Shelly Jones, DCA Staff
Jason Hurtado, DCA Legal Staff
Dani Rogers, DCA Legal Staff

B. Public Comment

There was no comment.

C. Review, Discussion, and Possible Action on Target Dates for the Legislative Strategic Objectives on the Board's 2022-2024 Strategic Plan

Objective 3.1



Chair Ruane introduced strategic objective item 3.1, which is to host an annual legislative day to build proactive relationships with lawmakers and to enhance effectiveness.

Chair Ruane stated that Legislative days are usually held in late March or early April after the bill introduction deadline. The proposed target date to conduct the first CSLB Legislative Day is April 2023. Planning the event for next year is more appropriate given Covid-19 concerns this year.

Committee Member Comments:

There was no comment.

Objective 3.2

Chair Ruane introduced strategic objective 3.2, to review policies, procedures, and current practices for compliance with the Administrative Procedure Act to ensure appropriate decision making.

Chair Ruane stated that the strategic objective item involves a review of CSLB Enforcement and Licensing Division operations to ensure current processes and procedures are compliant with the rulemaking requirements of the APA.

Staff intends to commence the review July 2022.

Committee Member Comments:

There was no comment.

Objective 3.3

Chair Ruane introduced strategic objective item 3.3, that the Board use plain language in all legislative proposals and bill analyses for better consumer and contractor understanding.

Chair Ruane explained that this objective was edited to provide additional clarity. New text is noted as underlined and deleted text is shown as strike-out. “Sponsored legislation” was replaced with “legislative proposals and bill analyses” as these are the documents that are prepared by staff and presented to the Board for review and consideration.



Chair Ruane stated that staff will continue to make a conscientious effort in all documentation and correspondence to ensure written descriptions of legislation are clear and concise.

The goal is immediate and ongoing.

Committee Member Comments:

There was no comment.

Objective 3.4

Chair Ruane proceeded to introduce strategic objective item 3.4. The objective is to pursue legislation requiring workers' compensation insurance for all contractors to protect consumers and workers.

Chair Ruane stated that this item will be discussed in more detail in Agenda Item E. The legislation is currently in a bill before the state legislature. September 2022 was chosen as the target date as it marks the end of the Governor's bill signing period, at which point the Governor can choose to sign the bill or not.

Committee Member Comments:

There was no comment.

Objective 3.5

Chair Ruane introduced strategic objective item 3.5, which has CSLB identify and include fiscal impacts for the Board's consideration in all legislative proposals and bill analyses.

Chair Ruane commented that staff will ensure all prospective fiscal impacts of legislative proposals and bill analyses are presented to the Board. The goal is immediate and ongoing. Consistent with this objective, the two proposals in Agenda Item E each have fiscal impacts.

Committee Member Comments:

There was no comment.

Objective 3.6



Chair Ruane introduced the final strategic objective item 3.6. The objective is to review and collaborate with local and state government to determine if CSLB’s hazardous and asbestos certification remain viable and are effective in protecting consumers in declared disaster areas.

Chair Ruane commented that it was evident during the strategic planning session that CSLB’s hazardous substances and asbestos certificate programs should receive a comprehensive review considering the increased wildfire disaster activity in California. The status update for this item is July 2023.

Committee Member Comments:

There was no comment.

Public Comments:

There was no public comment.

Motion: Approve the Legislative strategic plan objectives and target dates. Miguel Galarza moved; Johnny Simpson seconded. The motion carried unanimously, 6-0.

COMMITTEE MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Jim Ruane- Chair	✓				
Frank Altamura	✓				
Miguel Galarza	✓				
Steven Panelli	✓				
Johnny Simpson	✓				
Mary Teichert	✓				

D. Review, Discussion, and Possible Action by the Committee on the Appropriate Specialty Contractor License to Install, Modify, and Repair Battery Energy Storage Systems

Chair Ruane introduced Agenda Item D, which relates to the regulatory rulemaking process and the CSLB review of the appropriate license classification to install battery energy storage systems. The Chair noted that Regulatory rulemaking under the Administrative Procedure Act is required to change the CSLB specialty license classifications to include battery energy storage systems.

Chair Ruane invited Regulatory Counsel Dani Rogers to join the meeting.



Counsel Rogers introduced herself to the committee members and provided an overview of the regulatory process.

Counsel Rogers stated that the board packet materials included two regulatory process timelines. One timeline is expedited, with a shortened timeline for certain steps. The other timeline is longer and is a more conservative estimate of the time it could take to complete the regulatory process.

Counsel Rogers noted that CSLB is currently in the “concept phase” of the regulatory process. This phase provides for discussion of proposed text and reaching a consensus on proposed regulatory language. If consensus can be reached on the proposed language, the regulatory process will be smoother. Once the Board votes on and approves proposed language, it will be board staff’s job to draft regulatory documents, including the notice and initial statement of reasons.

Counsel Rogers said that this phase can take anywhere from 30 to 90 days, depending on how expeditiously staff can assemble package documents. Once this step is complete, the process begins with the filing of notice with the Office of Administrative

Law. This commences the 45-day comment period, during which members of the public can comment on proposed text. The Board may hold a public hearing on the proposal, if a hearing is requested by a member of the public. The public may make further comments at this hearing.

Counsel Rogers said if a hearing is held, then afterwards staff will review any public comments received, prepare proposed responses, and evaluate whether to modify any aspect of the proposed language based on the comments. If the Board chooses to modify text, there will be an additional 15-day period in which the public can make comments on any modifications. Once the comment period is concluded, and the Board has approved responses to any public comments, the package will be filed with OAL. The OAL then has 30 working days to review and approve the regulations.

Counsel Rogers asked for questions.

Committee Member Comments:

There was no comment.

Public Comments:

California Storage and Association Executive Officer Bernadette Del Chiaro thanked staff for their work on the regulatory proposal. Del Chiaro and her staff are reviewing



and preparing comments on the alternate regulatory proposal submitted by IBEW and NECA.

Chair Ruane introduced two more items that included an update on Stakeholder Meetings, and Review, Discussion and Possible Action on Regulatory Concept Presented to the Board at the November 29, 2021 meeting.

Chair Ruane explained that on July 27, 2021, CSLB held a public meeting to review, discuss, and take action on the June 30, 2021, Battery Energy Storage Systems License Classification Report issued by the University of California Berkeley. Chair Ruane stated at that meeting, the Board moved and voted to rescind all prior staff determinations that stated that a C-46 Solar Contractor license could install battery energy storage systems as incidental and supplemental work and adopted UC Berkeley's recommendation to preclude C-46 licensees from installing BESS in any setting. Staff was directed to develop regulatory rulemaking language for the board's consideration.

Chair Ruane stated that at the November 29, 2021 Board Meeting, CSLB staff presented for the Board's consideration a draft regulatory rulemaking proposal that would codify the Board's July 2021 motion by precluding C-46 Solar Contractors from installing battery energy storage systems in any situation.

Chair Ruane explained that the Board did not approve the staff regulatory rulemaking proposal. Instead, the Board moved at the November 29 board meeting to:

- Refer the battery energy storage systems matter to the Board's Legislative Committee
- Direct staff to collect additional stakeholder input, and Develop alternative language that may be acceptable to both the solar and electrical stakeholders.

The Board also voted that if no alternative language is ready for the March 2022 Board meeting, that staff present the November 29 proposal (which precludes the C-46 from installing batteries in all scenarios) for the Board's approval.

After the November 29 meeting, staff collected additional stakeholder input as directed by the Board. Summaries of those efforts start on page 93 of the committee packet.

Chair Ruane also noted that staff developed alternative language as directed by the Board. That alternative language can be viewed at the website link on page 93 of the packet. The staff alternative language would provide that the C-46 Solar Contractor may



install battery energy storage systems when paired with a photovoltaic system on specified residential and light commercial structures.

Chair Ruane stated the goal, as directed by the Board, was that this alternative language “may be acceptable to both the solar and electrical stakeholders.”

Chair Ruane went on to explain the electrical stakeholders have responded with a proposal of their own, which staff received after the materials were printed for the January 26, 2022 board packet. The electrical stakeholders’ proposal is viewable at the same website link included on page 93 of the packet. The electrical stakeholders’ regulatory language would authorize the C46 classification to install battery energy storage systems when paired with a photovoltaic system based on specified energy thresholds.

Chair Ruane said the solar stakeholders have performed a preliminary review of the electrical stakeholders’ alternative regulatory proposal and are preparing comments on that proposal as well as on CSLB’s staff proposal. Consequently, there is no alternate regulatory rulemaking language agreed upon by the solar and electrical industries for the Committee to consider at this time.

Chair Ruane said that in addition to the summaries in the packet, there is an update to what is in the packet regarding staff’s meeting with the Office of the State Fire Marshal (or OSFM). The packet at the top of page 94 describes a scheduled meeting between staff and the OSFM. Chair Ruane explained this meeting was held on Monday, January 24, 2022. At that meeting, CSLB staff shared with OSFM staff the electrical industry’s proposal that would authorize the C-46 classification to install BESS pursuant to energy capacity limits described in the Fire Code. OSFM representatives stated they did not have concerns referencing the Fire Code. OSFM requested CSLB provide them with any agreed upon language between the solar and electrical industry. At that time, they will share the concept language with CALBO and the California Fire Chiefs Association and report back.

Chair Ruane stated the agenda item was informational only. As the Board assigned the battery energy storage systems matter to this committee, this update is to inform the Committee of staff efforts to implement the Board’s November 29, 2021 motion.

Chair Ruane explained that as the chair of this committee, he wanted to remind everyone that the board has spent considerable time and resources over the last five years on this matter. As such, he strongly encouraged the solar and electrical industry representatives to work together in a collaborative and timely fashion to develop a regulatory proposal that can be brought back before the Legislative committee for review in February, or perhaps March. When language agreeable to stakeholders is developed, he will schedule a Legislative Committee meeting to review, discuss and



hopefully recommend full board approval. Chair Ruane said this needs to occur as soon as possible. Certainly, no later than the scheduled March 30 full board meeting.

No action is being requested of the Committee at this time.

Committee Member Comments:

There was no comment.

E. Update on CSLB-Sponsored Bills or Legislative Proposals

Chair Ruane directed the committee to their first item; SB 216 (Dodd) Contractors: Workers' Compensation Insurance: Mandatory Coverage.

Chair Ruane explained this 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 workers compensation insurance policy on file with CSLB in the first year, and for all contractors after three. The Board has a support position on this bill. Chair Ruane asked Chief of Legislation Michael Jamnetski if he has any updates for the committee because the bill is currently moving through the Legislature.

Chief Jamnetski reported that the bill moved off the inactive file to the Senate floor in early January and was voted to the Assembly. Chief Jamnetski explained the fiscal report on page 100 of committee packet reflects what was reported last year, but the numbers may need to be updated as a result of the new fees that were recently put in statute. Chief Jamnetski stated the fiscal report reflects a possible renewal revenue decrease but as the packet explains those are just projections and are very speculative. Chief Jamnetski said it is difficult to predict how this bill will impact renewal revenue.

Chief Jamnetski stated that staff recently discussed with Chair Ruane some amendments to the bill that were sent over to the Senator's office, there are three:

- 1) moving the effective dates to require workers compensation for all licensees in the bill a year forward since the bill was delayed a year, from 2025 to 2026
- (2) adding the C-22 Asbestos Abatement Contractor license to the licenses that would be required by the bill to have workers' compensation in the first year. This is because the C-22 is already required to have workers' compensation to obtain the Division of Occupational Safety and Health registration that is a prerequisite to the license. As a result, the C-22 already must have workers' compensation insurance
- (3) Exempt a joint venture license from the workers compensation requirement when one or more of the licensees forming the joint venture have a workers compensation



policy. The bill will still require any joint venture that elects to be the employer to file a workers' compensation certificate with the Board.

Chief Jamnetski noted that the amendment regarding joint ventures was the result of a concern raised by industry. The concern was that the bill would require a joint venture to obtain additional workers' compensation insurance when usually the insurance of one of the licensees forming the joint venture is used for any employees.

Committee Member Comments:

Committee Member Steve Panelli requested clarification that the mandatory reporting date would be moved from 2025 to 2026.

Chief Jamnetski said Committee Member Panelli is correct. The change is not in print yet, but the proposed change extends the reporting date for all licensees to three years.

Chair Ruane introduced the final item, a legislative proposal that increases administrative fines for a licensed contractor failing to comply with various state codes, including failing to comply with building permit requirements. The Board approved staff to seek an author for this legislative proposal at the November 29, 2021 Board Meeting. Chair Ruane asked if there was an update for this legislative proposal.

Chief Jamnetski reported that Assembly member Quirk will introduce this CSLB-sponsored measure as a legislative bill. CSLB is hoping for bill introduction in the next couple of weeks and will update the board members when that occurs.

Committee Member Comments:

There was no comment.

Public Comments:

There was no comment.

F. Adjournment

Motion: Adjourn the January 26, 2022, Legislative Committee meeting. Johnny Simpson moved; Steve Panelli seconded.

Committee Chair Jim Ruane adjourned the Legislative Committee meeting at 11:18 a.m.